Workers' Comp

Enlyte Pharmacy Experts Speak on Turning Challenges Into Opportunities

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Clients face numerous challenges in managing their workers' compensation pharmacy programs including capturing all pharmacy utilization and costs as well as addressing abuse by price opportunists. In this Enlytening Conversation we'll dig deeper into these issues and others to find proactive opportunities to address pharmacy challenges through identification, regulation, and continually reevaluating outcomes and analytics to better understand how the right pharmacy partner can positively impact overall spend and claims outcomes.

Mitch Freeman (MF): You know, our clients are facing a number of challenges, when it comes to managing pharmacy and workers' compensation, I would say the two biggest challenges, one being out of network that we mentioned before is being able to see and view holistically all prescriptions, whether they come from the retail channel, mail order, physician dispensing, or out-of-network pharmacies that may bill outside of that network, being able to holistically manage all your pharmacy is extremely important, and leveraging those legislative and regulatory controls that vary jurisdiction by jurisdiction, that, you know, is extremely important.

MF: You know, the other challenge they're dealing with is really abuse by manufacturers and bad actors within the system. So, you know, manufacturers will create drugs that have extremely high AWP, but it's the same drug as another manufacturer that may be a tenth of the cost of the AWP that's assigned by this bad actor manufacturer. And then also creating drug products that really add no clinical benefit whatsoever with a very high cost associated with that.

Nikki Wilson (NW): Yeah.

MF: And so things that would be like over-the-counter Bengay. They make a formulation that might be slightly different. It's no better for the patient. It's extremely, you know, expensive. We're talking thousands of dollars for something that should cost less than twenty dollars.

NW: Absolutely. And we know there's a lot of these challenges. So the key is how do we turn those challenges into opportunities for our clients and how do we manage those appropriately? And so I think a number of ways are we're able to deploy a number of things in order to try to get our hands around some of those issues that are really plaguing the comp industry. And so some of the things you can do is knowing what you're looking for. So this industry, the landscape is ever changing. There's always the next big thing. There's always those bad actors, like you mentioned, looking for different ways to game the system or to make some money.

NW: So understanding and helping clients understand what they're looking at and what the impacts can be to not only their spend overall but in general, how can it impact claim outcomes? So identification of what those different pricing plays are, price opportunists we often call them. Literally that is what they are. They're not necessarily providing additional clinical benefit, but they are exponentially driving up costs. So being able to identify them readily in the data, anything that flows through, we have controls in place that can sort of categorize them and bucket them in certain therapeutic classes.

NW: Well, that particular set of challenging drugs doesn't have a category. It's sort of all across the board. You have to kind of know what you're looking for. So number one is identifying those things within the data sets getting them from all of the different channels. We know that a lot of those pricing plays come through out of network because there are less controls in place for blocking and tackling. So identification, then being able to guide management. So what do you do to deploy some sort of way to get cost under control or appropriate utilization?

NW: So understanding how to put resources around that different set of drugs, either outright denying them, blocking them if you're, you know, on board with your client to do that, if your jurisdictional rules allow for it, if there's a clinically appropriate alternative, being able to enforce that, things like utilization review, or even, you know, sending a letter to gather more information from the client, there's a lot of different levers that can be pulled to sort of understand what is the onus behind this particular prescription. So identification, figuring out the right ways to control and manage.

NW: And then the third piece of that is definitely always reevaluating. How can we get better at this? Working with clients in partnership to understand what is this doing to your book? What are your biggest areas of impact and spend? Continually reevaluating reporting and outcomes and analytics, ways we can get our hands around those different issues.

MF: You know, we talked a little bit about leveraging jurisdictional controls. And with that, numerous jurisdictions do have state-mandated formularies. You know, and those formularies say, basically define a list of drugs that can be written without prior authorization. So that means when the prescription's filled, it will just go through our systems and be paid.

MF: Most of those states also have regulation that says if it's not, you know, on that formulary, it has to go through utilization review. So they mandate the formulary, then they also mandate utilization review. And it's extremely important that you have an integrated model. To where the PBM is connected to utilization review. And that's for a number of reasons. To be able to effectively identify those prescriptions that don't meet that criteria and should go through utilization review. And that's important for not only for the in-network transactions.

MF: But also those out-of-network transactions that we were talking about. Yeah. Because a lot of things can slip through the cracks if they're filled out of network, nobody is evaluating them like a PBM would evaluate those. And then often there's, you know, very quick turnaround times that are necessary. And in an integrated model, that can quickly get to utilization review, can be evaluated, the determination can get back to the PBM. And that really allows almost it creates a funnel where nothing falls out of that process. And then you also, at that point, have a holistic view of all therapy going on with the patient, as well as your overall total spend.

NW: Right. And you hit on formulary, and I think that's a really good point. There's state-based formulary so you have a drug list set, but what do you do for all those other jurisdictions where you're not really sure what blocking and tackling to put in place? I think that's where partnering with an expert in the pharmacy benefit management space is helpful. Setting up things like a drug list.

NW: We mentioned earlier all these different challenges and all the things that are always under development as pricing plays, how do you know what those even are? So I think working with a team like a pharmacy and therapeutics committee, or if you've got a PBM partner that you trust that's gonna develop a drug list out for you. The keys to look for there is a process that is continually watching for new drug developments, what the evidence-based guidelines recommend as far as place and therapy goes, or is this first line? Is this even appropriate for the injury that we're trying to treat and being able to set up some of those front-end preventative measures as far as the drug list and formulary goes to help guide care on the front end of the spectrum. I think that's really critical as well.

MF: I agree. It's much better to be proactive and identify those drugs that may create really, you know, bad trends in the future. If you have a process in place that identifies them very early, you can implement strategies upfront before they become you know, a train wreck.

NW: And the price opportunists, great example, where we know what those are up front. We put in controls that sort of capture them and block, and we've had really great success doing that, with those drug lists and building that out to help identify them and make rules against them for what we're gonna do with them going forward.



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