Workers' Comp

When are Specialty Drugs, Biologics, and Biosimilars Used in Workers' Compensation?

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When Are these Drugs Used?

For workers' compensation, specialty drugs are prescribed to treat conditions either directly or indirectly related to workplace injuries or illnesses. Directly related conditions, such as HIV and hepatitis, might occur when individuals are exposed to contaminated material (i.e. those working in healthcare or emergency service settings).

Indirectly related conditions, such as inflammatory arthritis, are common, and the subsequent work disability and/or potential of being linked to this group of illnesses is significant. Other indirectly related conditions that could be compensable in workers' compensation are those aggravated by a workplace injury, including multiple sclerosis.

The impact specialty drugs will have on workers' compensation claims will depend largely on the demographics of the insured population. Weighing Increased Expense with Improved Outcomes Specialty and biologic medications present other challenges as well. About half of these medications are not dispensed through pharmacies. Instead, many make their way to injured workers through physicians' offices, hospitals, and clinics and are billed with J-Codes. The medications can provide a significant revenue opportunity for those that dispense biologics and can easily bypass the necessary review processes when they do not flow through the PBM point of sale system.

While costs are likely to remain a concern, it is important to recognize that specialty drugs such as biologics and biosimilars can play a significant role in achieving better outcomes. In many cases, they provide relief that traditional therapies cannot. This can result in better quality of life, as well as fewer hospital admissions, emergency room visits, and laboratory tests.

In other cases, less expensive but equally effective alternative therapies may offer a better choice. For example, the estimated $84,000 – $168,000 price tag of a Solvaldi treatment regimen for hepatitis C has drawn widespread attention. However, the potential to save a life or avoid a costly liver transplant are critical considerations. The high-price/high-reward associated with specialty drugs is unlikely to change in the immediate future. However, there are some things that can be done to manage these types of medications in the meantime.

Managing Specialty Drugs

- Ensure the most appropriate treatment is utilized
- Recognizing that denial of the specialty medication might not be an option
- This can be achieved through Utilization Review, an Independent Medical Evaluation, or a Drug Utilization Assessment/Peer to Peer, depending on jurisdiction. Monitor adherence to the prescribed drug therapy regimen, especially when outcomes are improved with timely administration
- Consider case management for claimants that require specialty or biologic medications with specific treatment time durations Manage the treatment duration for each specific drug/patient
- Place edits at the point-of-sale that will trigger a prior authorization at the anticipated treatment completion date Reduce cost by shifting from physician/hospital dispensing to a specialty pharmacy (where appropriate) Approximately 50% of specialty & biologic drugs are dispensed and administered in a non-pharmacy setting Communicate and collaborate with prescribers and injured workers to ensure that the pros and cons of these medications are considered when prescribing activity occurs

More to come…

Be sure you are up to speed on how these new drug categories will be handled for your book of business, and carefully evaluate your claims handling practices to weigh the pros and cons for each case. When it comes to specialty medications there is definitely more to come down the road.



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