Pharmacy Trends in Workers’ Compensation

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Agenda

• Drug Trend Report Highlights
  • Opioids
  • Compounds
  • Therapeutic Mix
  • Specialty Medications

• Government Affairs
  • State formularies and treatment guidelines
  • ODG/ACOEM or state guidelines

• Medical Marijuana

• Questions
Drug Trend Report Highlights

• 2014 WC drug trend was 1.9%
  • 5.4% decrease in utilization helped offset a 7% increase in cost
• Narcotic utilization decreased nearly 11%, keeping spend flat
• Compounds made top 10 therapy classes for second time
  • 45% trend, but not nearly as high as 2013’s 125.6% trend
  • Success story for Electric Boat; no compounds
• Physician dispensed medications average $62 more per script than pharmacy dispensed meds
• Specialty spend increased 30.4%
  • Hepatitis C drugs were key drivers
Opioid Medication Use

Percentage of Injured Workers Using Opioids
Shorter Term Versus Longer Term

- Number of opioid Rxs decreased, but days’ supply increased
- 54.4% of opioid Rxs were written by just 5% of prescribers

- Dangerous combinations
  - Nearly half of injured workers using opioids also use a muscle relaxant, benzodiazepine, or both
“Man Made” National Epidemic of Opioid Misuse

- U.S. consumes 80% of world’s opioid supply *despite* being only 4.6% of the world’s population
- U.S. consumes 99% of world’s Hydrocodone supply
- >5% of US adults use opioid pain medications nonmedically.
- Every day in the US, 44 people die from Rx opioid use (CDC)
- Deaths from prescription opioids continues to rise; so do heroin deaths
- 45% of people who used heroin were addicted to prescription opioids- CDC Vital signs July 2015
  - Those addicted to opioids 40X more likely to be addicted to heroin

http://www.cdc.gov/drugoverdose/epidemic/riskfactors.html
Abuse Deterrent Narcotic Formulations

- Abuse Deterrent, not Abuse-Proof
  - May address crushing, but not injection
  - Outbreak of HIV, Hepatitis C in Indiana with Opana
- Websites for users to discuss how to circumvent the ADF
  - Erowid, Opiophile (no longer functional), Bluelight...even YouTube
- Cost of Abuse Deterrent Formulations
  - Brand-only
  - Not typically added to workers’ comp formularies (unless client requests)
Opioids and the Injured Worker

- Thorough patient assessment is key before starting opioid therapy
  - Lowest effective dose to the right patient
  - Specific functional goals

- Prescribing practices are key
  - Multi-modal therapy
  - Alternatives to opioids
  - Set goals & benchmarks
  - Discuss exit strategy for opioids
Case Study: Narcotic and Safety Management

• Challenge
  • Availability of clinical resources

• Actions taken to drive change
  • Physician Outreach
  • Patient education
  • Morphine Equivalent Dose (MED) Point of Sale

• Results
  • Narcotic utilization significantly decreased by 18%
  • Average cumulative MED also decreased by 5%
  • Overall reduction in narcotic spend
Compounded Medications

Among injured workers, 2.2% used a compounded medication

10% of compound utilizers used compounded medication first

$1,697 AVERAGE COST PER COMPOUND

Median Cost of Prescriptions Filled at Low-compounding Pharmacies vs. High-Compounding Pharmacies

- Low-compounding pharmacy: $500
- High-compounding pharmacy: $1,000

2013: 9.7%
2014: 51.5%

Among injured workers, 10% of compound utilizers used compounded medication first.
Case Study: Compound Medications

• Challenge
  • Availability of clinical resources

• Actions taken to drive change:
  • Collaborated to review compound drug spend
  • Identified medications utilized prior to trying a commercially available product
  • Routed compound medications to an Electric Boat nurse for review and approval
  • Nurse review typically deemed not medically necessary

• Results
  • Compound medications are no longer a part of the top 10 indications, dropping from 9 to 23
Therapeutic Mix

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$227.39

$111.24

$37.13
Generic Drug Price Increases

• Inflation Drivers
  • Manufacturer consolidation
  • Temporary shortage of active ingredients
  • Quality Issues

• Workers Compensation Examples
  • Oxycodone/acetaminophen
  • Hydrocodone/acetaminophen
  • Ibuprofen
  • Vimovo (391%)
  • Lidocaine
Case Study: Generic Utilization

• Challenges
  • Most client claims are in a non-generic mandated state of jurisdiction

• Actions taken to drive change:
  • ESI prescriber communications to drive lower cost therapeutic alternatives
  • Electric Boat identified high brand prescribers and conducted targeted outreach about the Express Scripts program
  • Identified patients requesting brand medications
  • ESI patient communication to encourage the use of lower cost therapeutic alternative
  • Implemented Step Therapy

• Results
  • Significant increases in generic utilization and savings from 2009 to 2014
    • Generic Efficiency Rate: 6% increase
    • Generic Fill Rate: 28% increase
Specialty Drug Trends

• Biggest driver of specialty trend in WC are the Hepatitis C drugs
  • 2014 Harvoni and Olysio
  • Expect to see this trend continue

• Also see medications for HIV and osteoarthritis

• Also in the mix
  • Anticoagulants
  • Asthma/Allergy; anti-inflammatory
  • Botox for neuromuscular
  • Cancer medications
Hepatitis C Drugs in Workers’ Compensation

• Occupational exposure from healthcare, first responders, sanitation

• Cure rates upwards of 90%+ with these newer drugs

• Choice of drug depends on genotype;
  • Most individuals in the U.S. are infected with genotypes 1, 2 or 3, with genotype 1 accounting for 70-75% of infections

• Cost is upwards of $80-100K per regimen
  • 13% of WC specialty medication cost were for Hepatitis C

• Adherence is key once proper therapy identified
  • Express Scripts high-touch Accredo Specialty Pharmacy
Clinical Insights on High Cholesterol

- A new class of medications entering the market - PCSK9 Inhibitors
- Target audience will likely be adults with familial hypercholesterolemia, statin intolerance, unmanageable statin drug interactions or side effects, or those with cardiovascular disease who require additional lowering of LDL
- Estimated cost of $12,000 per patient per year
- Express Scripts estimates that up to 20% of current statin utilizers may be candidates for PCSK9 inhibitors
- SC injection every 2 to 4 weeks
- The first two to come to market are:
  - July 2015 - FDA approved Praluent™ (Sanofi/Regeneron)
  - August 2015 - FDA approved Repatha (Amgen)
Governmental Affairs – More than just compliance

We participate in Trade Associations, Coalitions and Organizations to positively impact the pharmacy landscape:

- PCMA
- AHIP
- CompPharma
- US Chamber of Commerce
- State and Local Chambers
- Many Issue Specific Coalitions

Advocating and monitoring legislative and regulatory affairs in all 50 states.

Advocating for health care policies and practices that make prescription drugs safer and more affordable for the patients we serve.

INDUSTRY THEMES
- Compound Drugs
- Physician Dispensed
- State-Specific Formularies
- Opioid Utilization

CLIENT INFORMATION

PHARMACY EXPERTS
We focus on pharmacy, but monitor the broader healthcare landscape

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Adoption of Treatment Guidelines at the State Level

- ODG
- ODG Pending/Proposed
- ACOEM Guidelines
- ACOEM/ODG (MTUS)
- ACOEM/Colorado
- State Specific

Used with permission from ODG
Case Study: Formulary Management

• Challenge
  • Unique work related injuries
  • Administrative burden; understanding program

• Actions taken to drive change
  • Custom formularies created containing acute and chronic limited formulary criteria due to unique patient population
  • Designed to include medications specific to Electric Boat worker injuries
  • Streamlined process to simplify coding of injuries

• Results
  • Increased medications on formulary ~60% to mitigate adjuster burden with focus on
    • Keeping control of spend
    • Controlling overall utilization
    • Allowing focus on medication classes that required additional review
Case Study: Polypharmacy

- **Challenge**
  - Patients with multiple claims
  - Injuries leading to long term disorders

- **Actions taken to drive change**
  - Analysis performed on Electric Boat’s active claims in order to identify potential red flag in drug therapy.
  - Express Scripts Pharmacist Drug Reviews performed
  - Independent Medical Evaluations performed

- **Results**
  - Decrease in the number of scripts per patient
  - Increase in Home Delivery utilization
  - Reduction in narcotic spend
  - Reduction in overall utilization
Medical Marijuana

• DEA classifies as Schedule I narcotic
  • Limits access and research

• Limited evidence base for use- JAMA review June 2015
  • Spasticity, pain, - moderate evidence, N/V, appetite/weight gain- low evidence

• Work Comp Case Law
  • New Mexico
  • Recent rulings that workers’ comp must reimburse for medical marijuana
    (Maez v. Rile Industrial and Vialpando v Ben’s Automotive)

• Workplace case law
  • Colorado
  • Coats vs. DISH network; employee terminated although marijuana legal under state law; Court ruled that is not legal in US and is not protected under ADA. Employee termination held.
  • Interesting implications for employer drug free workplace policies
    • Spell out policy on all drugs, including marijuana
Medical Marijuana

- Workplace Safety concerns
  - Cognitive effects - inattention, confusion, somnolence, disorientation, impacts abstract thinking
  - Psychomotor effects - impaired driving and performance
  - Impacts attention, distance and time estimation and coordination, loss of balance, dizziness, inattention to speed, aversion to risk taking
  - Other adverse effects: euphoria, hallucinations

- Effects last days to weeks; longer term users may be tolerant to effects

Bottom line:
- More research needed
- Assess risk vs. benefit (including public health implications)
Questions

• For additional information or for a hard copy of the 2014 Workers’ Compensation Drug Trend Report, contact your Express Scripts Account Representative.

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