How to Control Pharmacy Costs, Avoid Abuse, and Deliver Pain Relief

Introduction: (5 minutes)

- Welcome to WC Mastery training
  - Fraught with peril
  - Incentive to go off tracks from prescribers and patients
  - White hats
- Introduce 3 Main Points:
  - Role of PBM
  - Controlling Pharmacy Cost Drivers
  - Team Approach with PBM & TPA/Carrier

Notes:

Main Point #1: Role of PBM (5-10 minutes) – 2:15 pm

- Role of PBM
  - Manage all aspects of pharmacy
  - Protects employers and employees against inappropriate use
  - Ensure drugs clinically appropriate following evidence-based medicine
  - Achieve lowest cost and highest patient care
  - Difference between work comp PBM & group health
- Results of PBM Intervention
  - CompPharma 2018 report (2017 data)
    - Overall costs dropped 9.8%
    - 31.5% lower than 8 years ago
    - Decreased use of opioids, compounds, physician dispensing
  - myMatrixx 2017 Drug Trend report: (2017 data)
    - opioid spend decreased 11.9%
    - overdose antidotes decreased more than 45%
    - generic fill rate 85.6%
    - compound spending declined 37.1%

Notes:

Main Point #2: Controlling Pharmacy Cost Drivers (20 minutes) – 2:35 pm

- Biggest Pharmacy Cost Drivers
  - Opioids
    - Cost increases with age claim
    - > 10 years; 50% of claim (NCCI)
    - 'age of injury effect' (myMatrixx)
      - First year $205 average cost per injured worker
      - After 10 years, $3,593 average cost
      - 17.5x more expensive
    - Overdose antidotes spending declined 46% (myMatrixx)
  - Physician Dispensing
    - Cost per Rx
      - Physician dispensed: $270.70
      - Other: $108.49
      - 149.5% more expensive
  - Compounds
    - Not first line therapy
    - Significantly more expensive
  - Generics
    - 85.6% generic fill rate (myMatrixx)
    - 10% brand market is still driving cost;
      - Buyer beware
      - Patent law games to extend patent life – no clinical advantage
      - exp: Lyrica CR
  - Specialty & New Drugs
    - 0.6% of prescriptions and 6.3% of costs

Notes:

- 2 Components of Pharmacy Costs
    - Cost Management (cost of the pill)
        - Much attention
        - Often viewed as only reason to engage PBM
    - Utilization Management (avoid pills that shouldn't be taking)
        - Biggest opportunity is identifying unnecessary and inappropriate drugs
        - Want:
            - appropriate drug
            - at appropriate time
            - in appropriate amount
            - dispensed from appropriate channel
        - Clinical management
            - Re-Education of physicians
            - 'Detail reps'

Notes:

- Utilization Management
  - Prospective (before the prescription is filled):
    - Formulary
    - Prior authorization programs
    - Mandatory generic replacement
      - define the specific list of drugs that can be used and are covered in your program.
      - utilize clinical pharmacist team to customize the formulary to aggressively manage utilization.
  - Proactive (point of sale)
    - Allows to have the prescription rejected or require authorization prior to dispensing
      - Morphine Equivalent Dose (MED)
      - Concurrent Drug Utilization Review
      - Step Therapy
    - Alerts to adjuster or pharmacist highlighting:
      - dosing concerns
      - drug combinations with opioids
      - other safety or adverse events
  - Retrospective
    - Alerts
      - Doctor shopping
      - MED
      - Data indicates need for UDT
    - Predictive Analytics
      - Identify opportunities to intervene early
      - exp. CARE to identify
        - fraud, waste and abuse
        - certain combinations of drugs
        - trends in drug therapy
    - Communication & education
      - Physicians
        - Letters
        - Pharmacist outreach
        - Peer review

- Injured workers
    - Education, safety risks, disposal practices
    - Social responsibility on safety risks and costs

Notes:

Main Point #3: Team Approach with PBM & TPA/Carrier (20 minutes) – 2:55 pm

- 3 Points to Get Most Out of Employer, PBM, Adjuster Relationship
  - **Lay out clinical strategy**
    - Create & customize drug formulary
    - Define Utilization controls & Authority
      - Adjuster alerted and must say Yes, or has right to say No
    - Predictive analytics & information
      - Define triggers
        - Case management
        - Peer review
      - Goal to interact EARLY in the claim
    - Sharing Data
      - Paper bills
      - Urine Drug Screening
        - Conversation with prescriber in advance on taking action

Notes:

- **NCM Referral for Intervention**
  - Boots on ground to identify questionable drug treatment
  - Pharmacist contact doctor to modify
  - Gives nurse additional resource
  - Coordinate with in-house or outside NCM vendor
- **Continuing Education Courses**
  - Better educated = better outcomes
    - Adjuster
    - Employer
    - Nurses

- PBM Accountability
  - Penetration Rate
    - Ease of use of program for employees
      - First fill
    - Ease of us for adjuster - Ask for feedback:
      - Technology interface
      - How much coordination is required?
      - How automated is process?
  - Regular Claim Audits
  - Pilot program

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