



## Medication trends shaping workers' compensation

A 2018 update of the prevailing industry influences impacting pharmacy outcomes

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## Trends impacting workers' compensation pharmacy

Annually, we report on the medication trends shaping workers' compensation. The following is a summary of the key findings in our 2018 Workers' Compensation Drug Trends Report. This year's analysis discusses clients' experience managing pharmacy cost and utilization, as well as prevailing industry influences challenging stakeholders throughout the system.

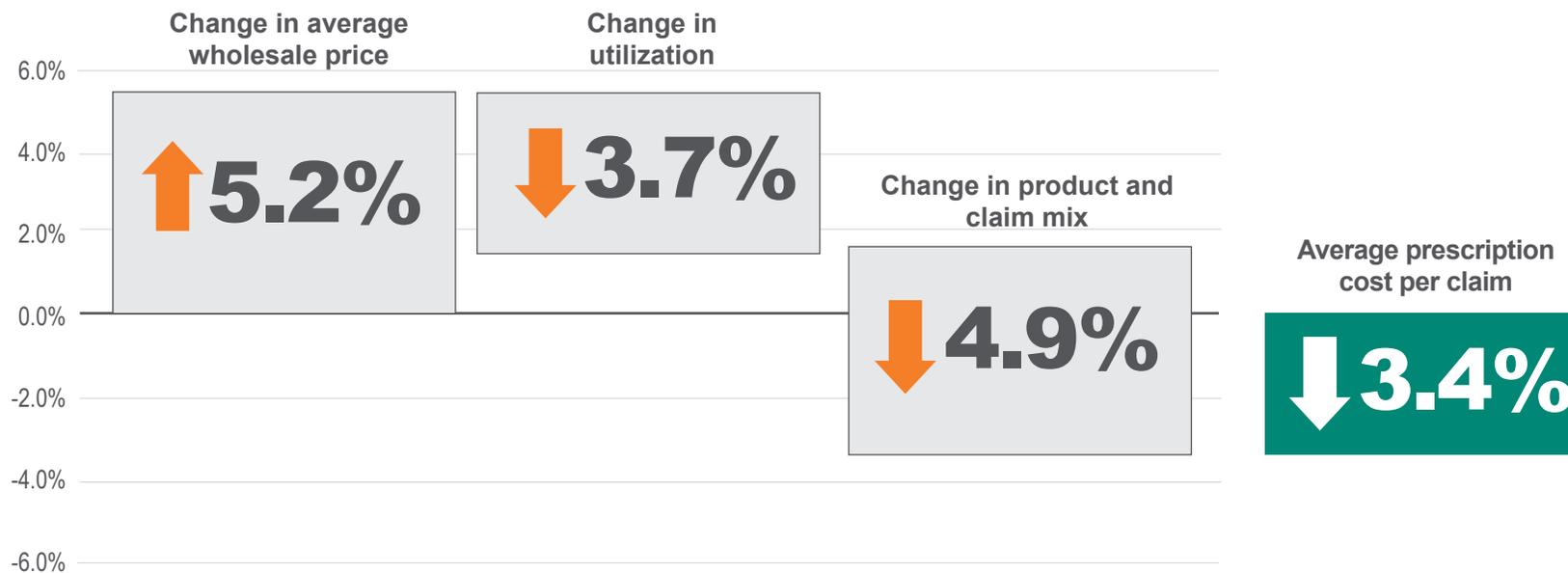
This review of industry trends impacting pharmacy outcomes in 2018 includes paid, in-network workers' compensation prescription transactions managed during the period covering 2016 and 2017.

More than 800,000 claims and about nine million prescriptions were analyzed. For purposes of this report, cost is defined as total drug expenses for a payer including both price and utilization (number and types of drugs dispensed).

For questions about our findings or to learn more about our offering, email [\*\*expectmore@optum.com\*\*](mailto:expectmore@optum.com).

## 2018 overall cost and utilization trends

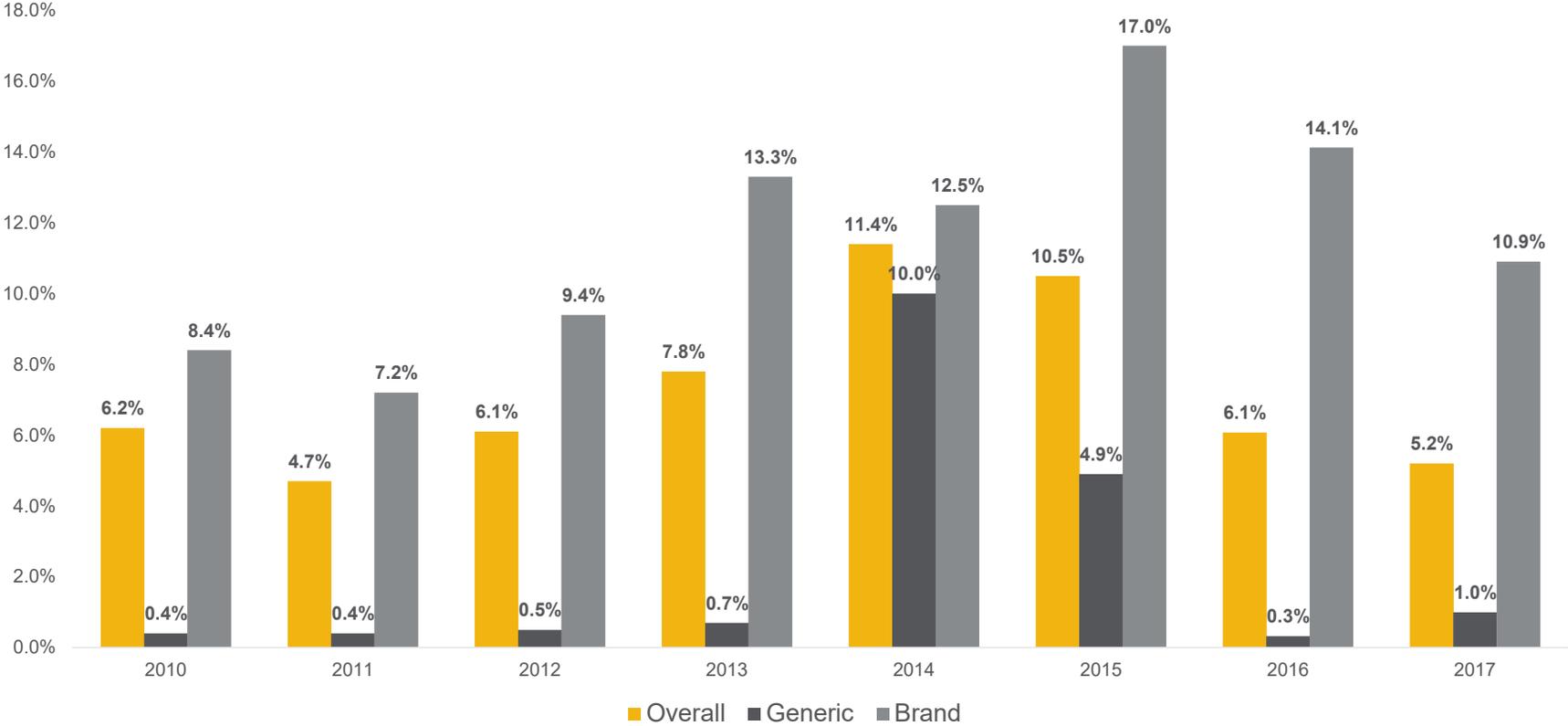
There are many elements involved in creating a positive impact on workers' compensation utilization and spend. For this to occur, clinical tools, expertise, knowledge sharing, analytics, network enforcement and advocacy must work together toward a common goal.



The average prescription medication cost per claim decreased for the second consecutive year, down 3.4 percent, despite an increase in average wholesale price (AWP). This decrease indicates the collective influence of customized formularies, focused utilization management and clinical programs, legislative action, and claims professional education. While AWP inflation increased, its influence on spend was not as great as in recent years and was additionally buffered by the 4.9 percent decrease in product and claim mix. This trend is largely the result of wider availability of generics and legislation that has created more restrictive state formularies, particularly surrounding opioids, allowing for higher use of the clinical programs that Optum Workers' Comp has employed for many years.

# Average wholesale price

The weighted and combined overall increase in AWP was 5.2 percent. Brand inflation remains high, but decreased from 14.1 percent in 2016 to 10.9 percent in 2017. Generic inflation rose from 0.3 percent in 2016 to 1.0 percent in 2017.



# Utilization management

The types and number of medications utilized by injured workers has dramatically impacted utilization. Key drivers for the decreases in utilization included state adoption of formularies, regulatory activity concerning opioid prescribing and dispensing, wider availability of generics, and no major new brand medications released in the workers' compensation space. But more importantly, these key decreases in utilization demonstrate the benefit of leveraging a variety of tools to proactively manage utilization.

Change in overall utilization

 **3.7%**

 Number of prescriptions per claim  
 Average days' supply per prescriptions

Change in product and claim mix

 **4.9%**

Injured workers using opioid analgesics

 **4.3% POINTS**

# Generic utilization

Generic utilization rose for the sixth consecutive year to 85.7 percent. This, combined with a high generic efficiency rate, were attributed to a rise in jurisdictional generic substitution mandates and few releases of new brand medications. Combining these two industry facts with key management controls within the clinical suite of services, including aggressive formulary management, has added to the dramatic increase of generic utilization over the past few years. This is again indicative of the influence a comprehensive approach can have, including the use of point-of-sale controls, claims professional education, provider relations and medication management strategies.

Generic utilization

**85.7%**

Generic efficiency

**99.7%**

 **1.0%**

Point increase in generic utilization results in

 **4.0%**

Reduction in spend

# Opioid analgesics: Utilization

Opioid analgesics utilization and spend continues to trend downward as a result of our concerted emphasis on systematic formulary management, technology enhancements, collaboration with industry stakeholders, physician engagement and claims professionals education efforts.

Change in utilization of  
opioid analgesics per claim

↓ **1.6%**

Overall opioid spend  
per claim

↓ **3.5%**

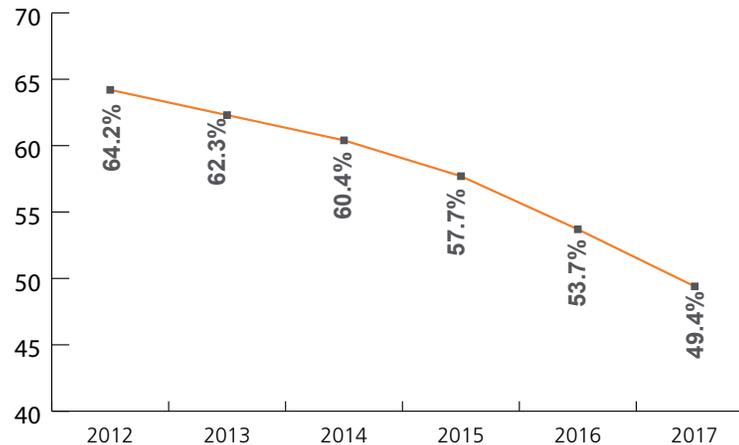
Average days' supply  
per prescription

↑ **0.7%**

Number of injured workers  
using opioid analgesics

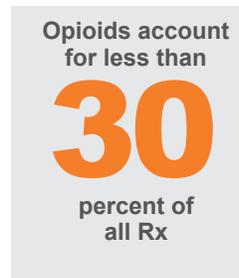
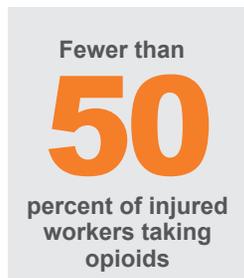
↓ **4.3% POINTS**  
(53.7% to 49.4%)

Percentage of injured workers with  
prescriptions that are using opioids



## Opioid analgesics: Morphine equivalent dose

With the decline of injured workers taking opioids, the morphine equivalent dose (MED) has also decreased. Although opioids remain the most widely prescribed therapeutic class, less than 30 percent of all prescriptions are opioids. While average days' supply rose slightly, the average opioid prescription days' supply remains at approximately 22 days and is helped, in part, by the 2.3 percent decline in the number of opioid prescriptions per claim.



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MED per prescription

**↓ 3.5%**

MED per claim

**↓ 5.7%**

Number of prescriptions  
per claim

**↓ 2.3%**

# Compounded medications

In just four years compounded medication utilization and spend has dramatically decreased, demonstrating what happens when the private and public sector work toward a common outcome. Several states put legislative actions and formulary controls into place, while the workers' compensation industry has placed greater emphasis on utilization management to assure appropriate treatment.

Number of injured workers using compounded medications

 **0.2%** POINTS  
0.7% IN 2016  
0.5% IN 2017

Compounded medications total spend

 **48.0%**

Compounded medications total prescriptions

 **36.0%**

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Compounded medications represent....

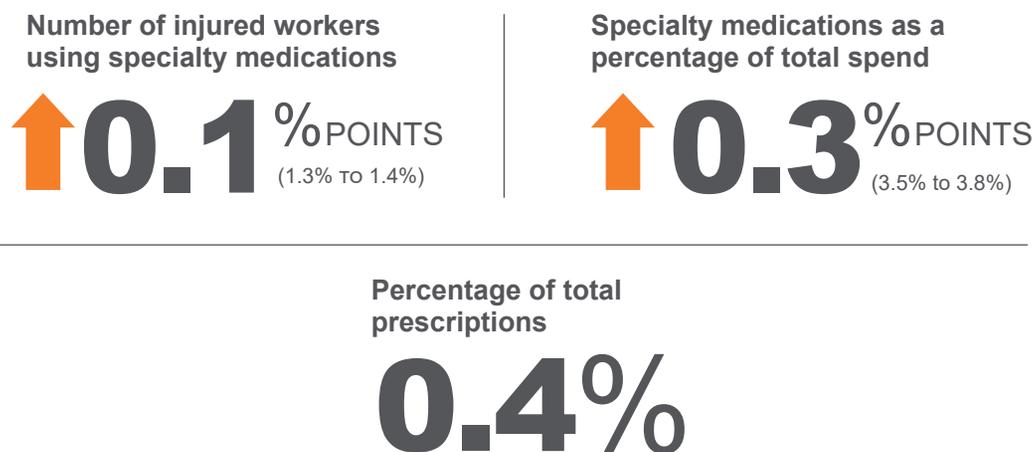
**1.1%** of total spend

AND

**0.2%** of total prescriptions

## Specialty medications

Specialty medications as a percentage of total prescriptions remained flat at 0.4 percent, representing a relatively small number of injured workers at 1.4 percent utilizing a specialty medication. In terms of spend, it rose by 0.3 percent to 3.8 percent. That cost was influenced by the introduction of new medications for the treatment of Hepatitis C, the increased use of medications for HIV prophylaxis and treatment and AWP inflation.



Although the average price per prescription is high, it is important to recognize that appropriate utilization of specialty medications in the treatment of work-related conditions can result in better long-term clinical and financial outcomes. As shown by the decrease in total cost per script, utilizing formularies and other clinical resources can validate the appropriateness of specialty medications and result in greater control over costs. Using case managers to assist with injured worker education and adherence monitoring is another component of specialty medication utilization and spend management.



# Looking ahead

Optum continuously monitors workers' compensation trends affecting our clients and their injured workers. We proactively collaborate with our clients and other stakeholders to impact change and tackle challenges to ensure injured workers receive the right medications at the right time. Here is a look at the trends that we are monitoring and addressing in 2018:

- Opioid analgesic utilization and MED will continue to decline while the utilization of medication-assisted treatment to assist in the tapering and weaning of opioids will increase. It is also anticipated that there will be a rise in addiction treatment programs.
- New research and industry analysis of the psychosocial and environmental issues that have been shown to slow return to work and claim costs.
- A shift toward treating the whole patient, including early detection and intervention using behavioral health practices.
- The expectation that specialty medications will continue to have an increasing role in treating complex workplace injuries.
- Closed formularies, treatment guidelines, PDMPs, urine drug testing and monitoring, specialty medications, and multidisciplinary care will persist and increase in use.
- Greater attention on the impact of mandated payment for treatment and the implications of the use of medical marijuana to treat workplace injuries will need to be addressed.

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#### About Optum for Workers' Compensation

The workers' comp division of Optum collaborates with our clients to deliver value beyond transactional savings while helping ensure injured workers receive safe and effective clinical care. Our innovative and comprehensive medical cost management programs include pharmacy, ancillary and managed care services from first report of injury to settlement.

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