



CALIFORNIA WORKERS'
COMPENSATION INSTITUTE

Pharmacy Trends & Formulary Outcomes

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Agenda

Pharmaceutical Trends

- 10-Year Rx Trend
- Opioid Utilization and Cost

Early Returns on the CA WC Formulary

- Utilization and Cost by Formulary Category
- Special Fill and Perioperative Rx
- Rx Dispute Resolution

California Workers' Compensation Prescription Drug Utilization & Payment Distributions, 2009-2018: Part 1

Overall Rx Utilization and Payment Trends

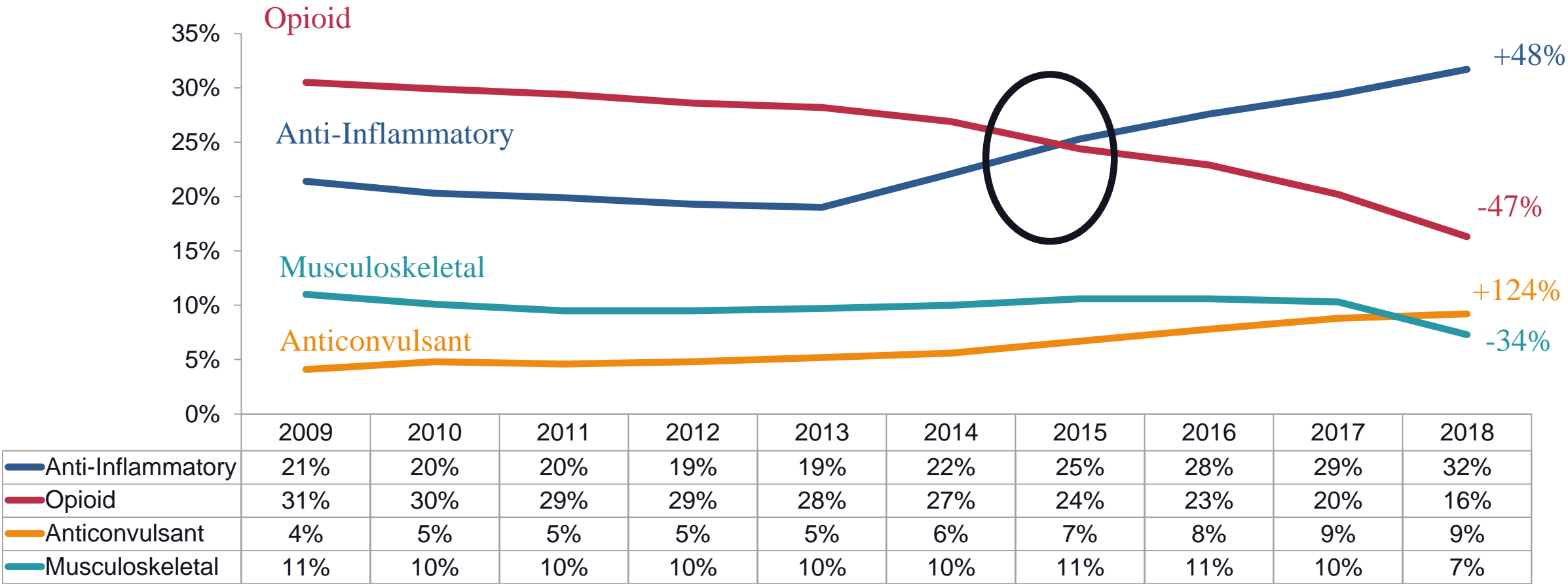
- By therapeutic group
- By brand vs. generic

Opioid Utilization and Payment Trends

- Types of opioids and related payments
- Incidence of claims with opioids
- Opioid prescriptions and morphine equivalents

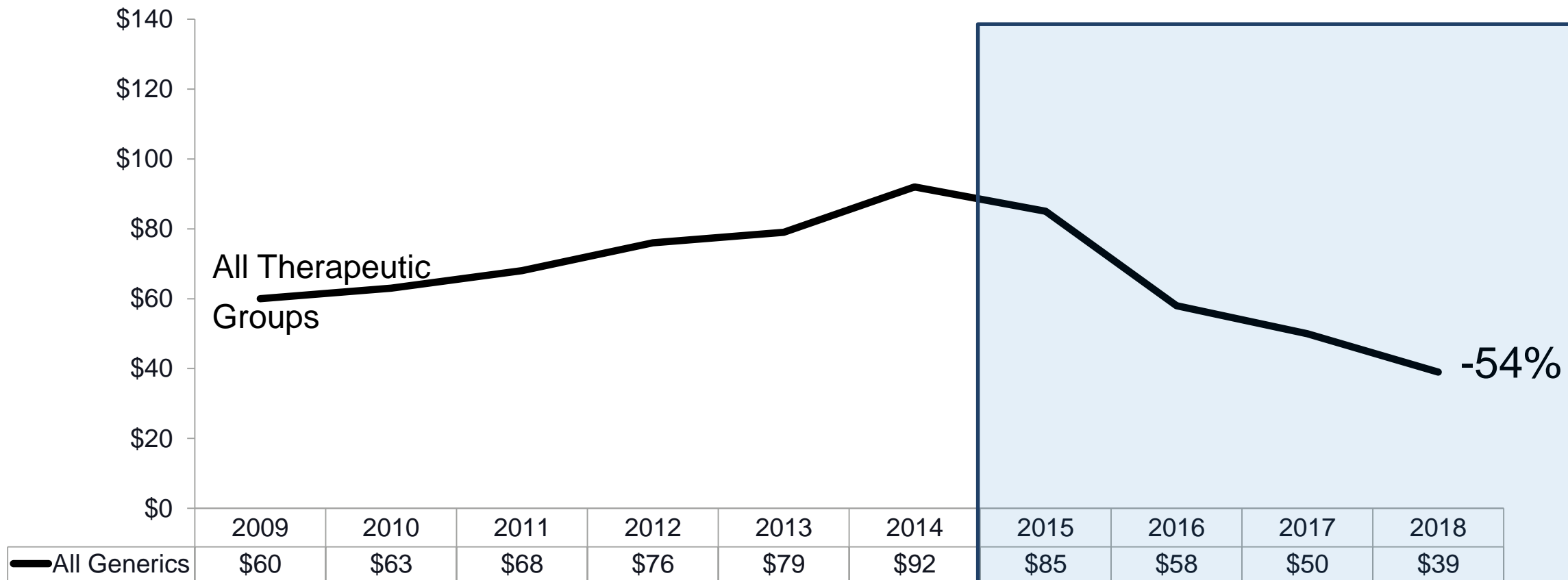


Pharmaceutical Utilization: CY 2009 – June 2018 Distribution of Prescriptions by Therapeutic Group

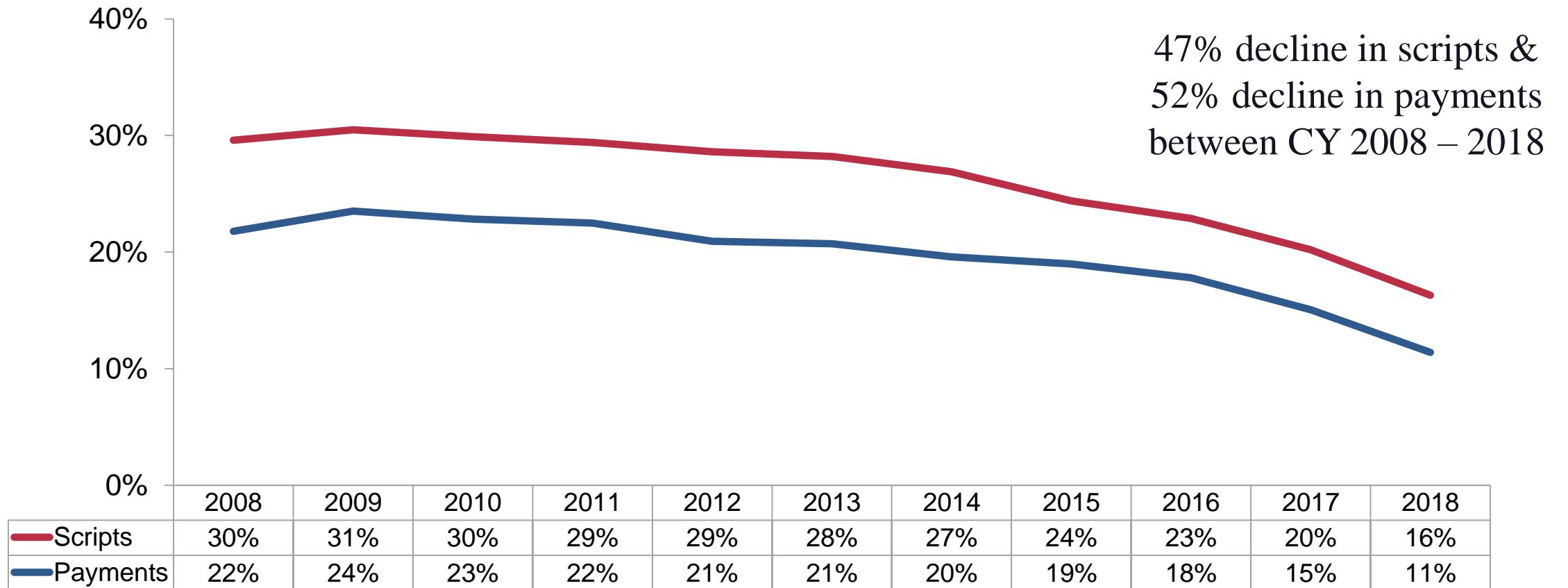


Average Paid Per Script: CY 2009 – June 2018

The Impact of the 2015 Medi-Cal Fee Schedule Change on Generics



Analgesic Opioid Prescriptions & Payments



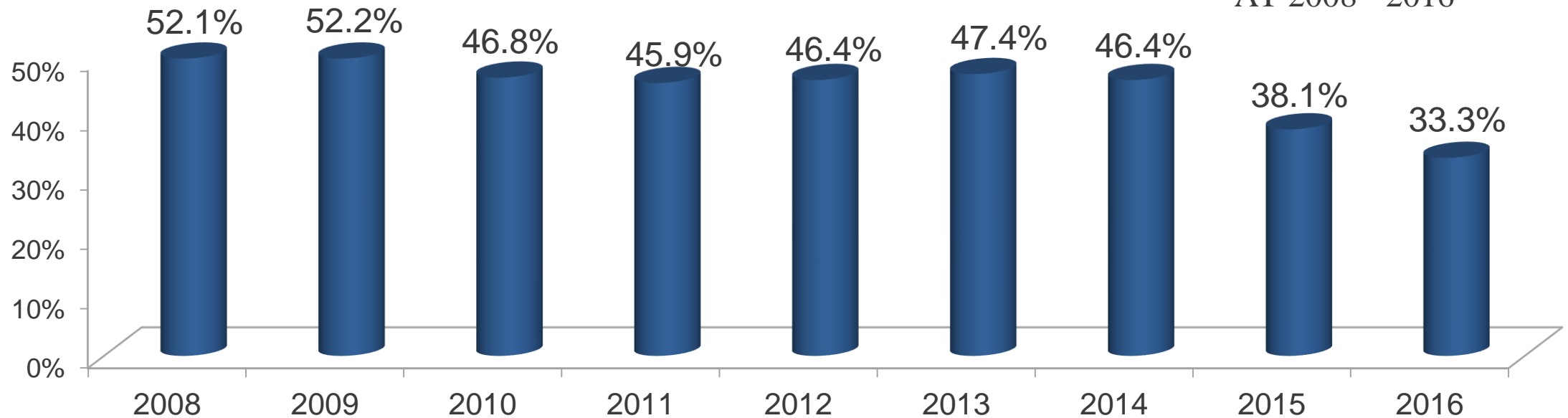
Data valued as of Dec 2018

Claims with Opioid Prescriptions

Indemnity Claims: 2008 – 2016 at 24 Months Post Injury

Percent of Claims at 24Ms with
1+ Opioid Prescriptions

-36% reduction between
AY 2008 - 2016

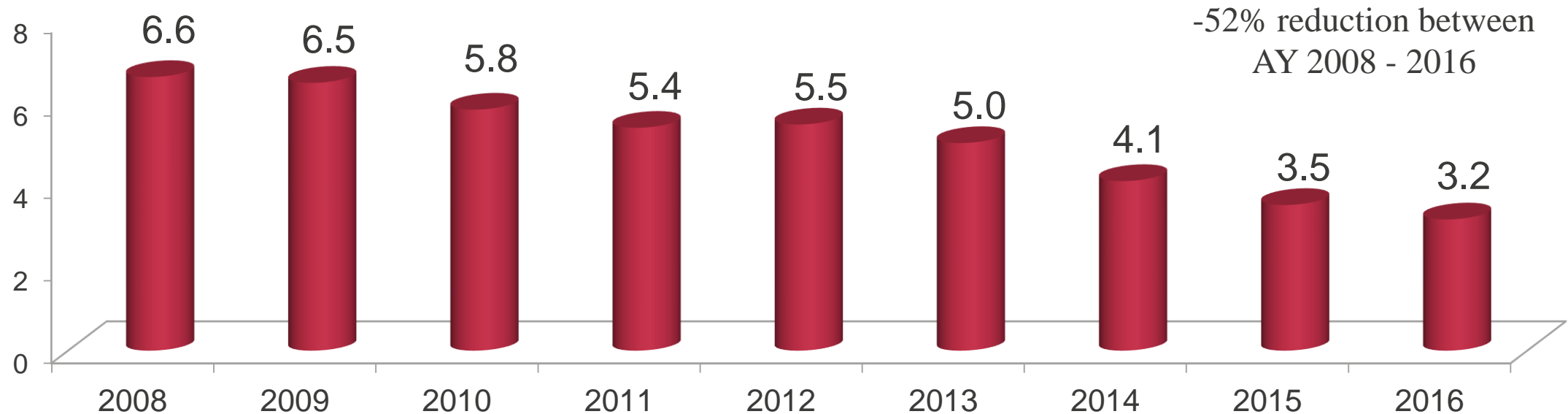


Data valued as of Dec 2018

Claims with Opioid Prescriptions

Indemnity Claims: 2008 – 2016 at 24 Months Post Injury

Average Scripts per Claim

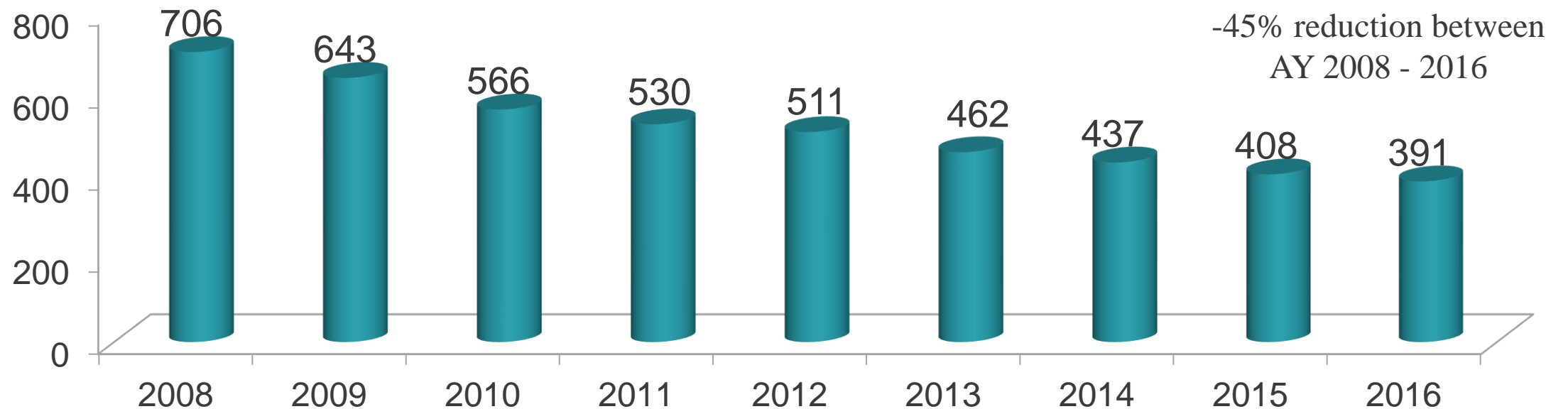


Data valued as of Dec 2018

Claims with Opioid Prescriptions

Indemnity Claims: 2008 – 2016 at 24 Months Post Injury

Average Morphine Equivalents per Script

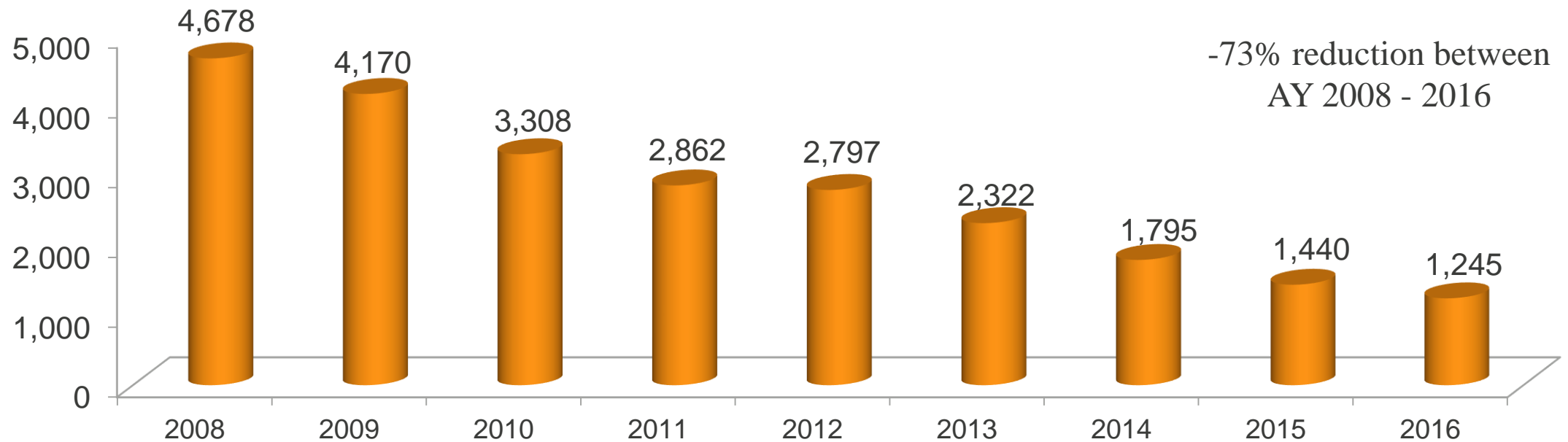


Data valued as of Dec 2018

Claims with Opioid Prescriptions

Indemnity Claims: 2008 – 2016 at 24 Months Post Injury

Average Cumulative Morphine Equivalents per Claim



Data valued as of Dec 2018

- **Legislative Intent:**
 - Improve quality of care
 - Limit over-prescribing of highly-addictive opioids
 - Control Rx costs

- **Provisions:**
 - Prescribed drugs must be in accordance with MTUS
 - Applies to all dispensed drugs with exception of non-exempt or unlisted drugs for legacy claims
 - Special Fill and Perioperative Fill
 - Requires medical necessity for brand name drugs
 - Limitations on physician dispensing
 - Requires pre-authorization for all compounded drugs
 - Requires establishment of Pharmacy and Therapeutics Committee

- **Rx Formulary went live January 2018**

March 2019 Study:

California Workers' Compensation Prescription Drug Utilization & Reimbursement, Part 2: Emerging Outcomes Under the MTUS Formulary

Objective:

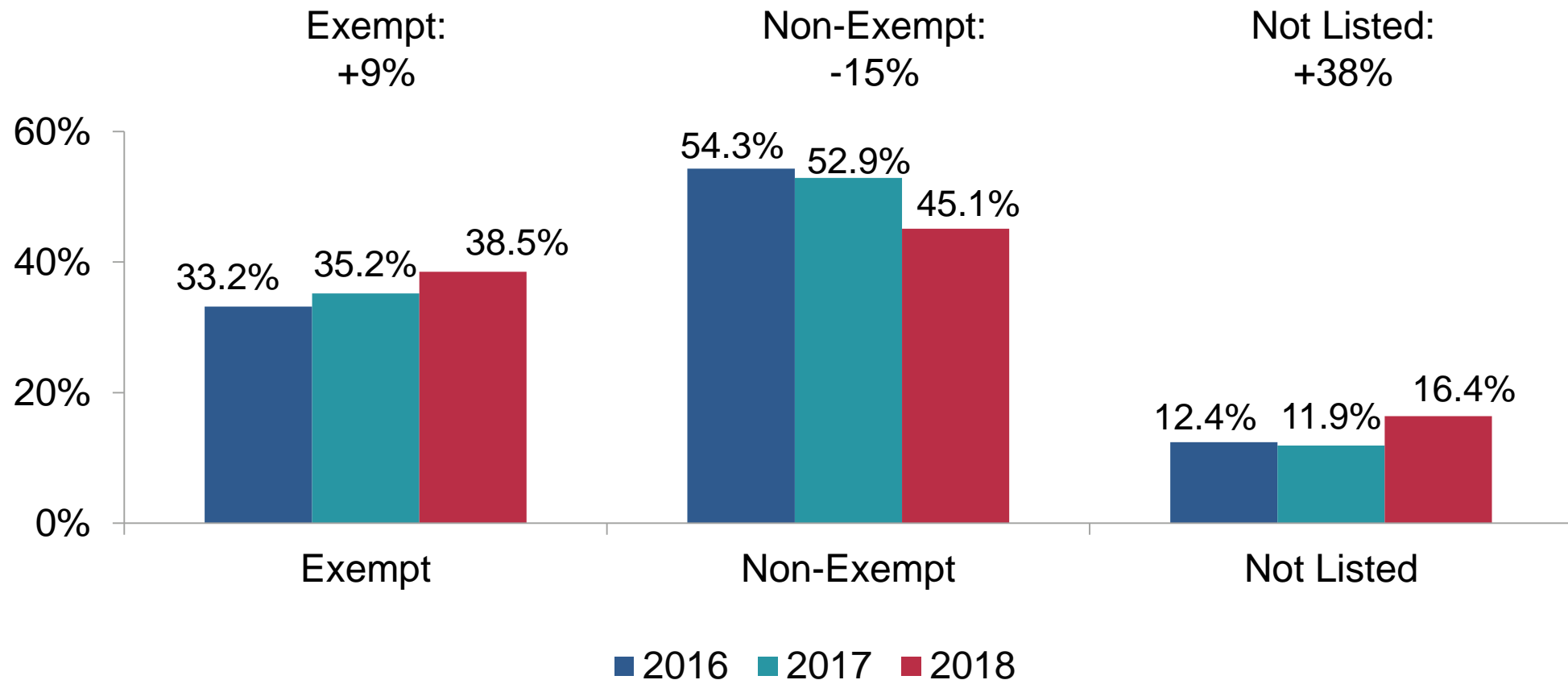
- Measure and trend prescriptions and payments
- Identify leading drugs
- Measure UR and IMR volume and decisions



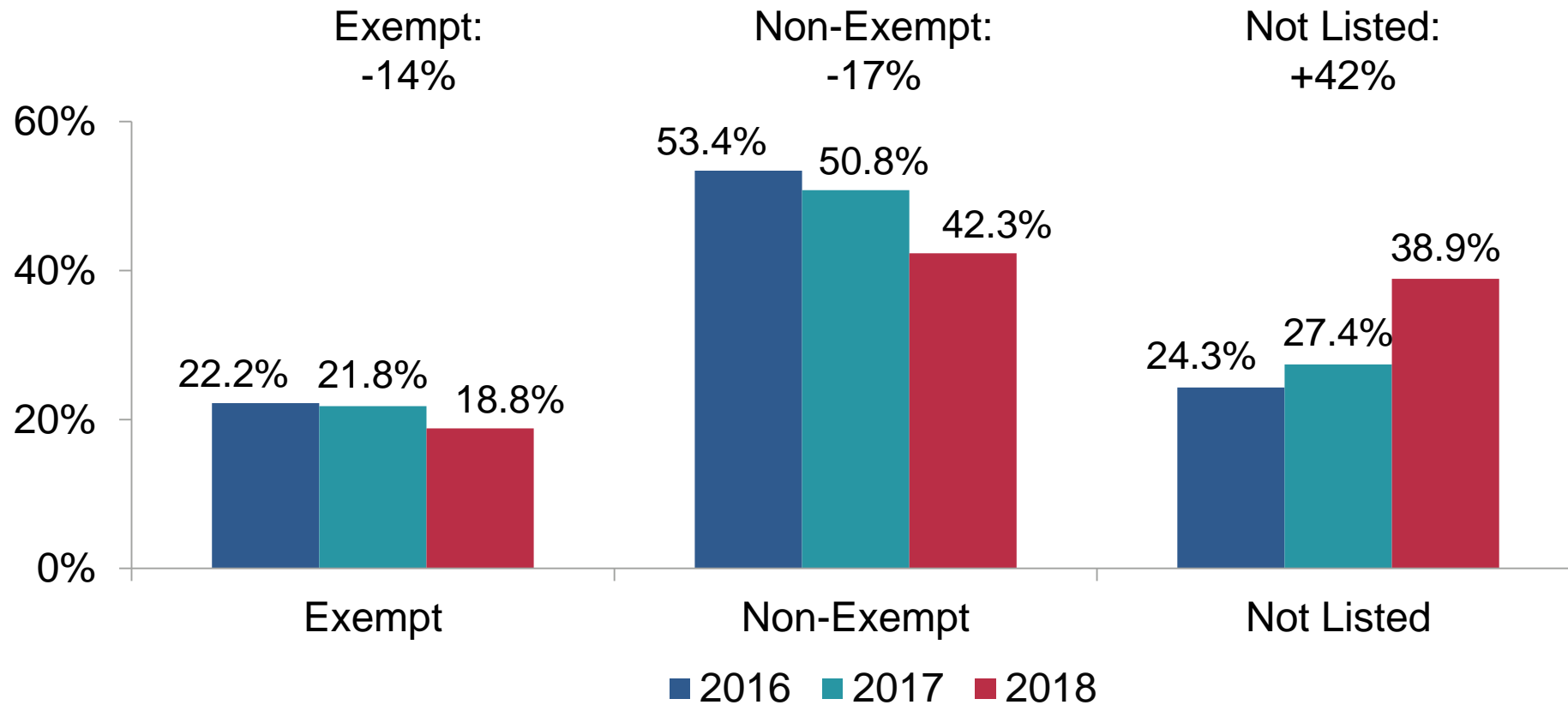
Data & Methods

- CWCI's IRIS data sample of 658,057 prescriptions with fill dates for January - June of CYs 2016 – 2018
- Prescriptions grouped into Exempt, Non-Exempt, and Not Listed drug categories
- Special Fill identified via IRIS DOI and script fill date
- Perioperative procedures identified via the CMS's National Physician Fee Schedule Relative Value File
- Utilization Review and Independent Medical Review compiled from services requested and reviewed in same calendar years (2017 & 2018)

Percent of Prescriptions by Formulary Category



Percent of Payments by Formulary Category



Top 10 Exempt Drugs (of All Exempt Drugs)

Drug Name	Drug Group	Percent of Prescriptions			Net Change	
		2016	2017	2018	2016/17	2017/18
Ibuprofen	NSAID	23.9%	24.7%	26.9%	0.8%	2.2%
Naproxen	NSAID	16.3%	18.4%	17.0%	2.2%	-1.4%
Omeprazole	Ulcer Drug	12.7%	8.5%	7.1%	-4.2%	-1.3%
Meloxicam	NSAID	6.0%	5.8%	6.8%	-0.3%	1.1%
Diclofenac Sodium	Derm	3.5%	4.0%	6.6%	0.5%	2.7%
Celecoxib	NSAID	6.5%	5.6%	5.4%	-0.9%	-0.2%
Etodolac	NSAID	2.0%	3.3%	3.9%	1.3%	0.6%
Nabumetone	NSAID	8.9%	2.9%	3.1%	-6.0%	0.2%
Diclofenac Potassium	NSAID	4.8%	3.2%	2.8%	-1.5%	-0.4%
Cephalexin	Antibiotic	1.8%	2.0%	2.2%	0.1%	0.2%

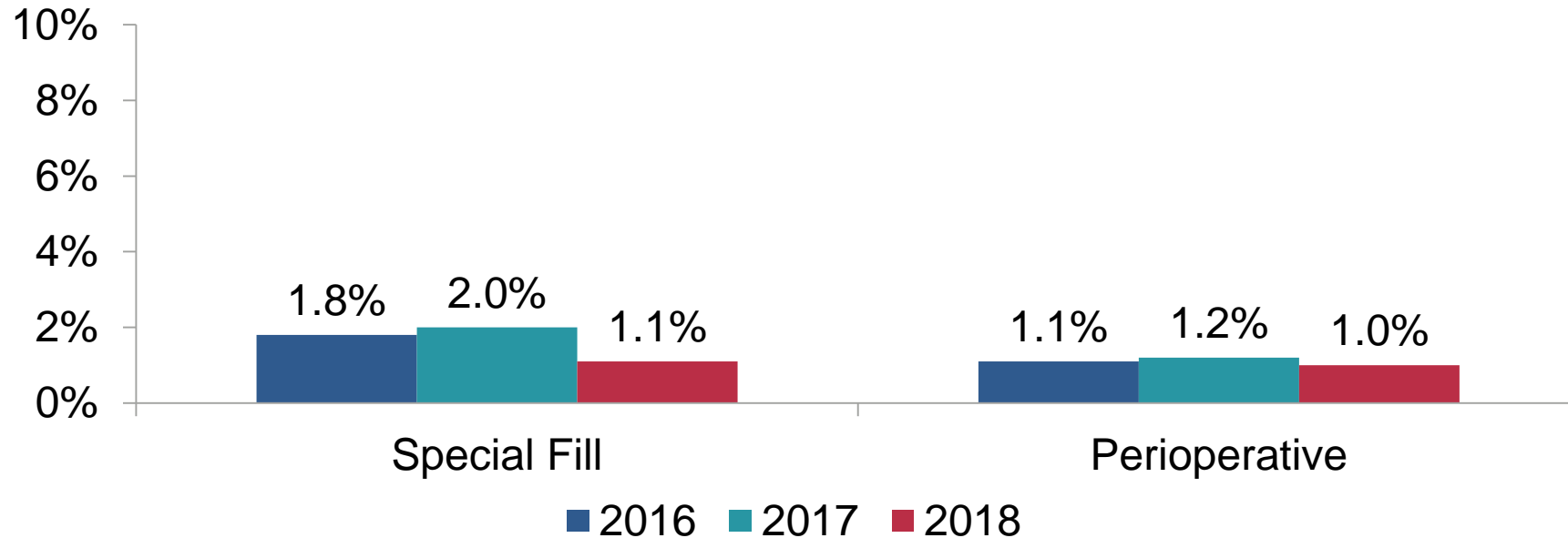
Top 10 Non-Exempt Drugs (of All Non-Exempt Drugs)

Drug Name	Drug Group	Percent of Prescriptions			Net Change	
		2016	2017	2018	2016/17	2017/18
Hydrocodone/APAP	Opioid	20.8%	18.9%	17.3%	-1.9%	-1.6%
Gabapentin	Anticonvulsant	10.6%	12.5%	14.2%	1.9%	1.7%
Cyclobenzaprine HCL	Muscle Relaxant	8.8%	9.9%	7.9%	1.1%	-2.0%
Tramadol HCL	Opioid	9.0%	9.4%	7.2%	0.4%	-2.2%
Duloxetine HCL	Antidepressant	3.5%	3.5%	4.4%	0.0%	0.8%
Pregabalin	Anticonvulsant	3.1%	3.3%	4.0%	0.1%	0.7%
Lidocaine	Dermatological	3.4%	3.7%	3.9%	0.3%	0.2%
Oxycodone/APAP	Opioid	3.8%	3.6%	3.5%	-0.3%	-0.1%
Oxycodone HCL	Opioid	2.8%	2.2%	2.3%	-0.6%	0.1%
Tizanidine HCL	Muscle Relaxant	2.1%	2.1%	2.3%	0.0%	0.2%

Top 10 Not Listed (of All Not Listed Drugs)

Drug Name	Drug Group	Percent of Prescriptions			Net Change	
		2016	2017	2018	2016/17	2017/18
Zolpidem Tartrate	Hypnotic/Sedative	19.7%	17.4%	11.1%	-2.3%	-6.3%
Atorvastatin Calcium	Antihyperlipidemic	2.5%	2.9%	8.0%	0.4%	5.1%
Tetanus Toxoid (TDAP)	Toxoid	4.7%	8.9%	7.3%	4.2%	-1.6%
Losartan Potassium	Antihypertensive	1.9%	2.1%	6.6%	0.2%	4.5%
Alprazolam	Antianxiety	10.1%	7.9%	6.1%	-2.2%	-1.7%
Lisinopril	Antihypertensive	3.6%	3.7%	5.6%	0.1%	1.9%
Metoprolol Succinate	Beta Blocker	1.4%	1.1%	5.1%	-0.3%	4.0%
Diclofenac Epolamine	Dermatological	6.7%	7.1%	5.0%	0.4%	-2.1%
Ondansetron	Antiemetics	6.1%	7.2%	5.0%	1.0%	-2.1%
Buspirone HCl	Antianxiety	3.2%	4.1%	4.3%	0.9%	0.2%

Special Fill and Perioperative Drugs Percent of All Scripts



Data from January – June

Rx UR & IMR Outcomes

How often are pharmaceuticals:

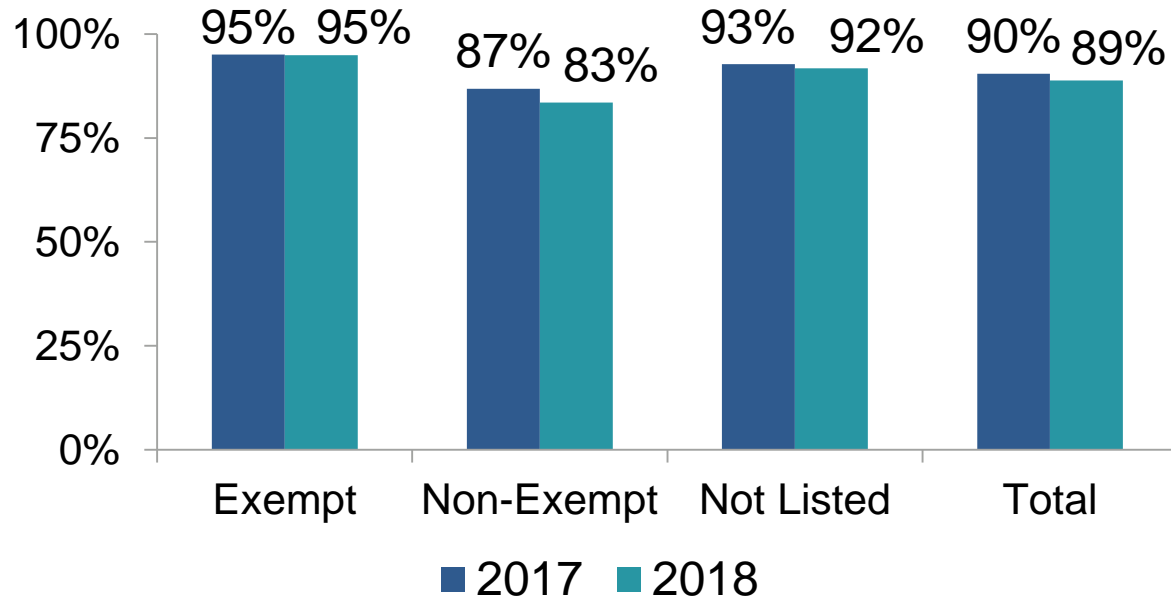
- Approved,
- Modified, or
- Denied

Incremental decisions by Formulary Category following:

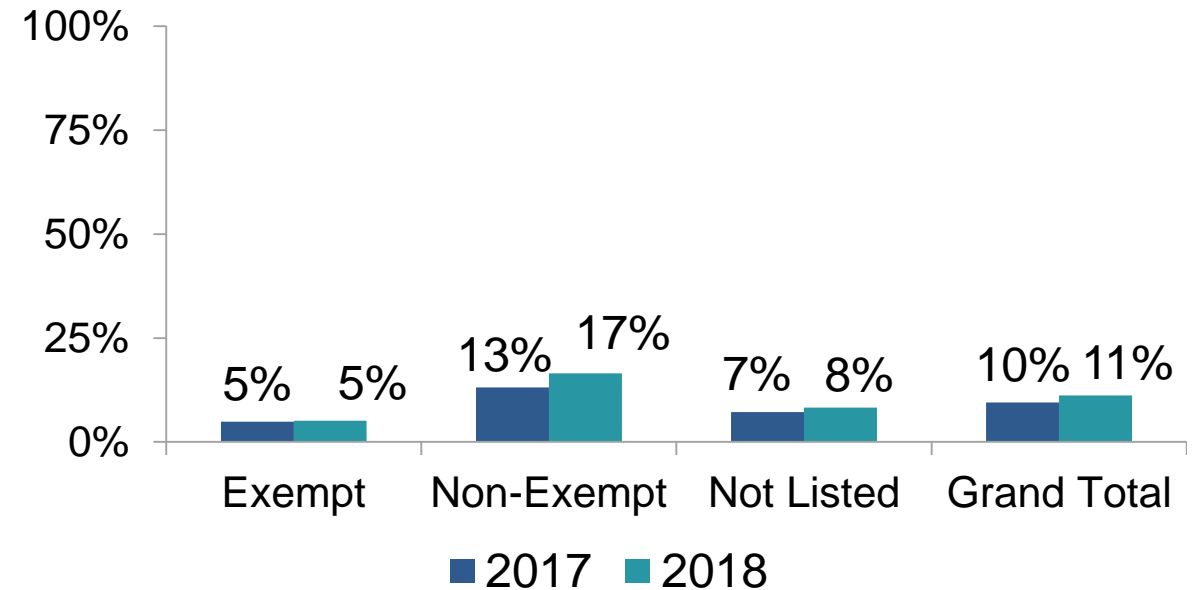
- Utilization Review
- Independent Medical Review

How Often Are Drugs Approved, Modified, and Denied?

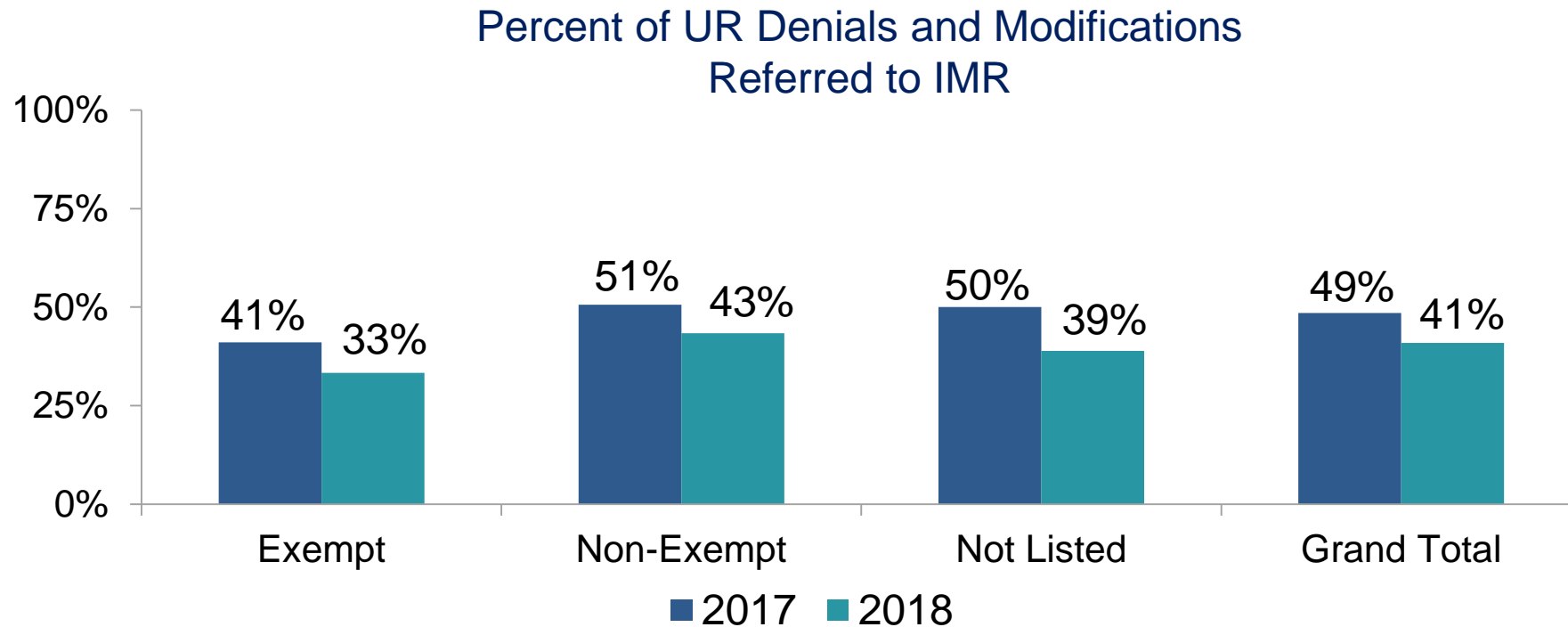
Rx Approvals After UR



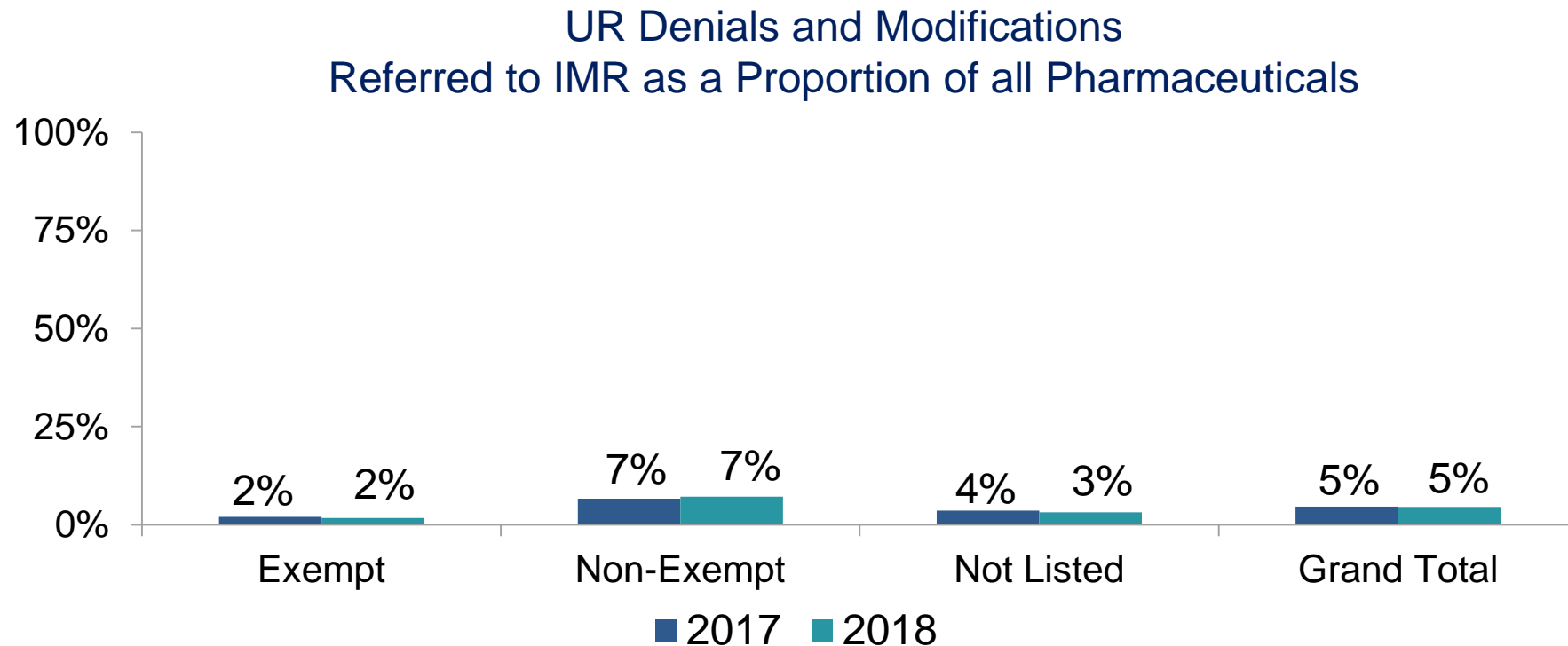
Denials/Modification After UR



Referral of Rx UR Denials and Modifications to IMR

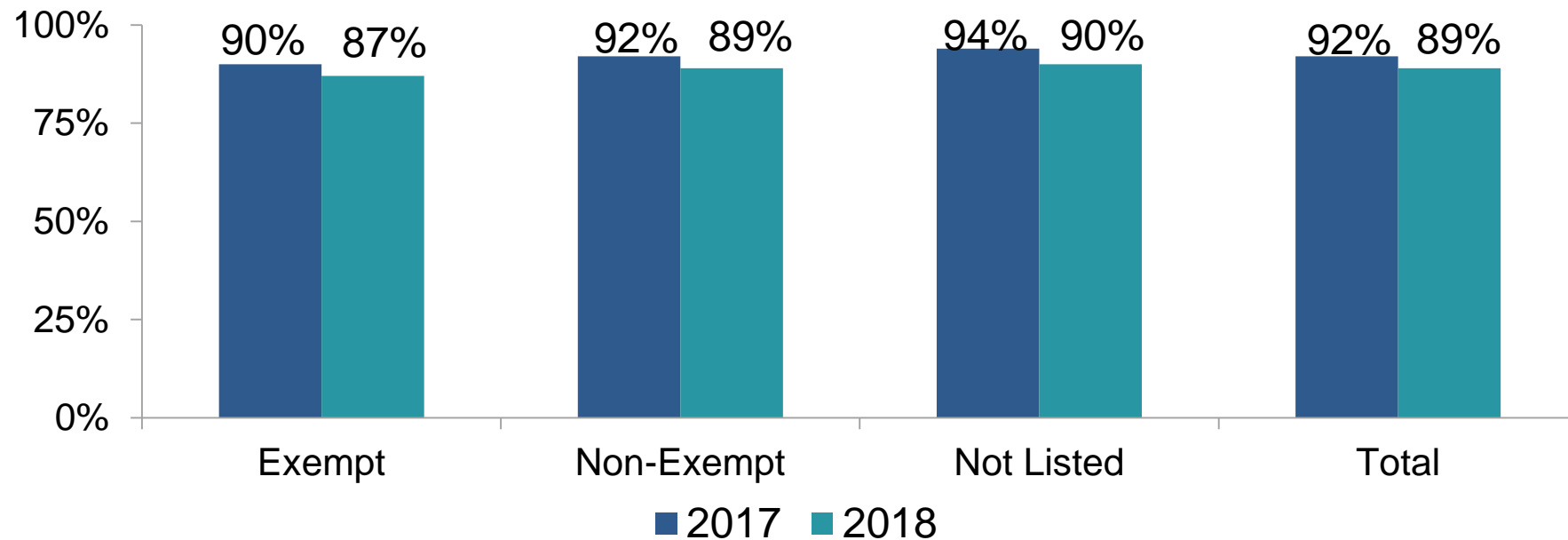


Referral of Rx UR Denials and Modifications to IMR



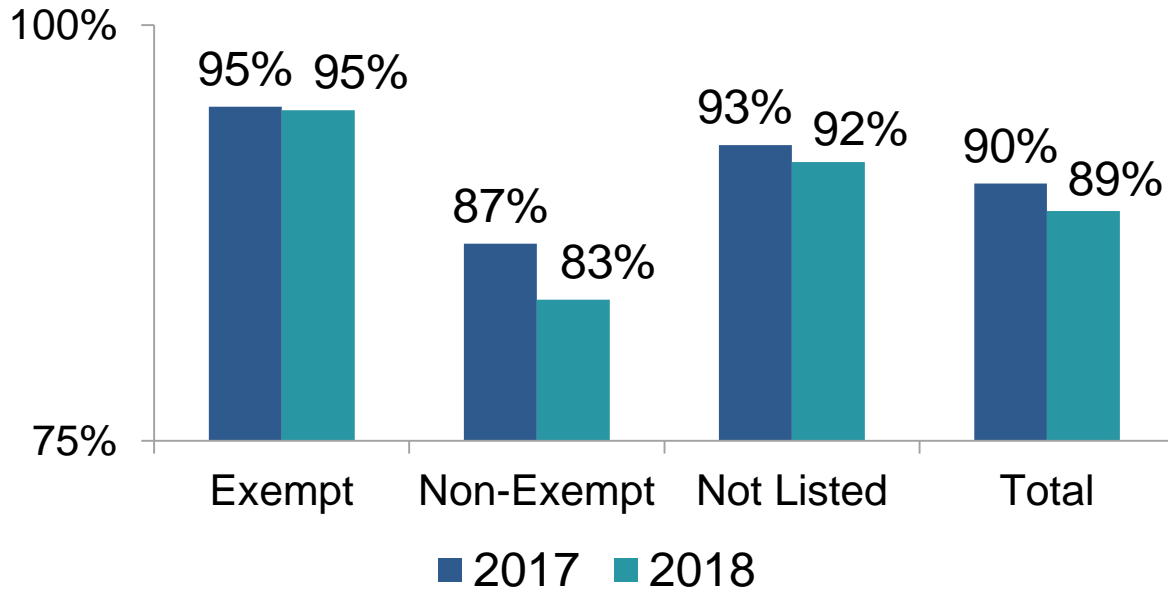
Independent Medical Review

IMR Uphold Rates

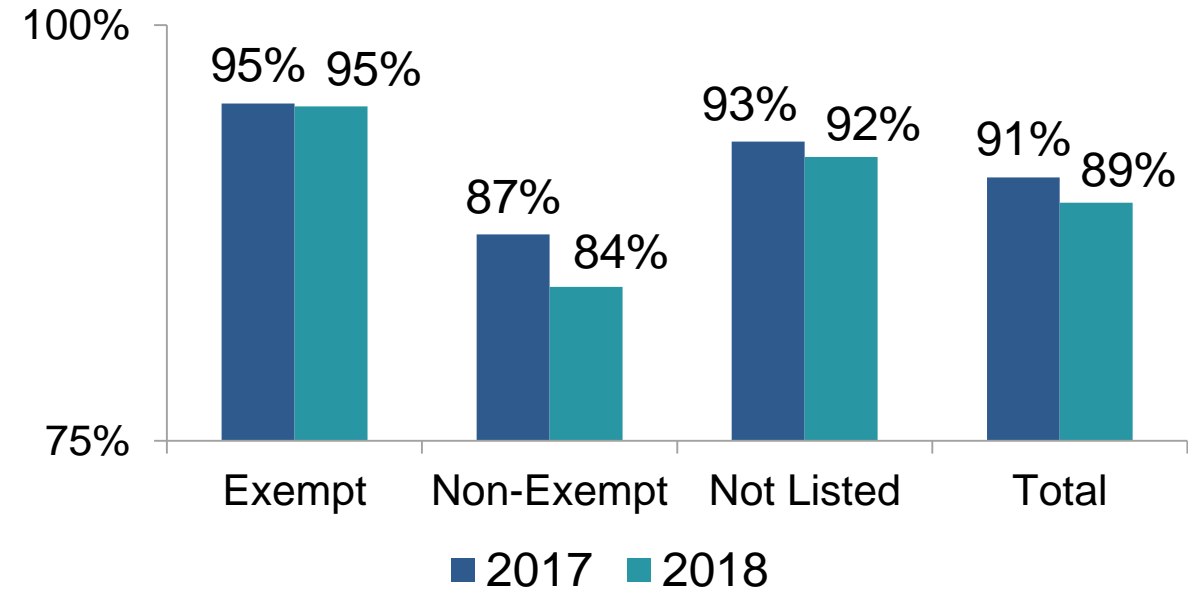


How Often Is Pharmacy Approved, Modified, and Denied?

Approvals After UR



Approvals After IMR



Summary

- Opioid utilization in 10+ years of declining utilization
- Medi-Cal Rx fee schedule responsible for average price drop; more to come?
- Greater utilization of NSAIDs
- Increased utilization of Exempt & Not Listed Rx; decreased utilization of Non-Exempt Rx
- High degree of volume and agreement across the dispute resolution chain
- Future P&T Committee development on UPI holds promise for greater control

