



An Integrated Approach to Managing Prescription Drugs in Workers' Compensation

“The Missing Piece to the
Managed Care Puzzle”



October 2007

Techniques That Impact Savings

**Network
Participation**

**Network
Discount**

**Program
Penetration**

**Drug
Utilization
Review**
(DUR audits/edits)

Network Participation

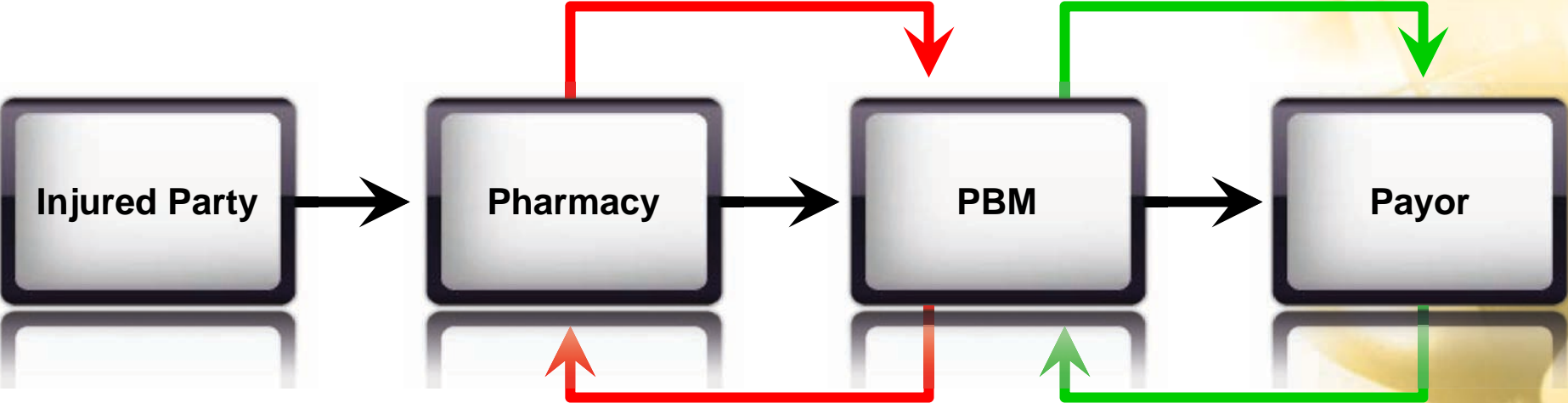


Network Discounts

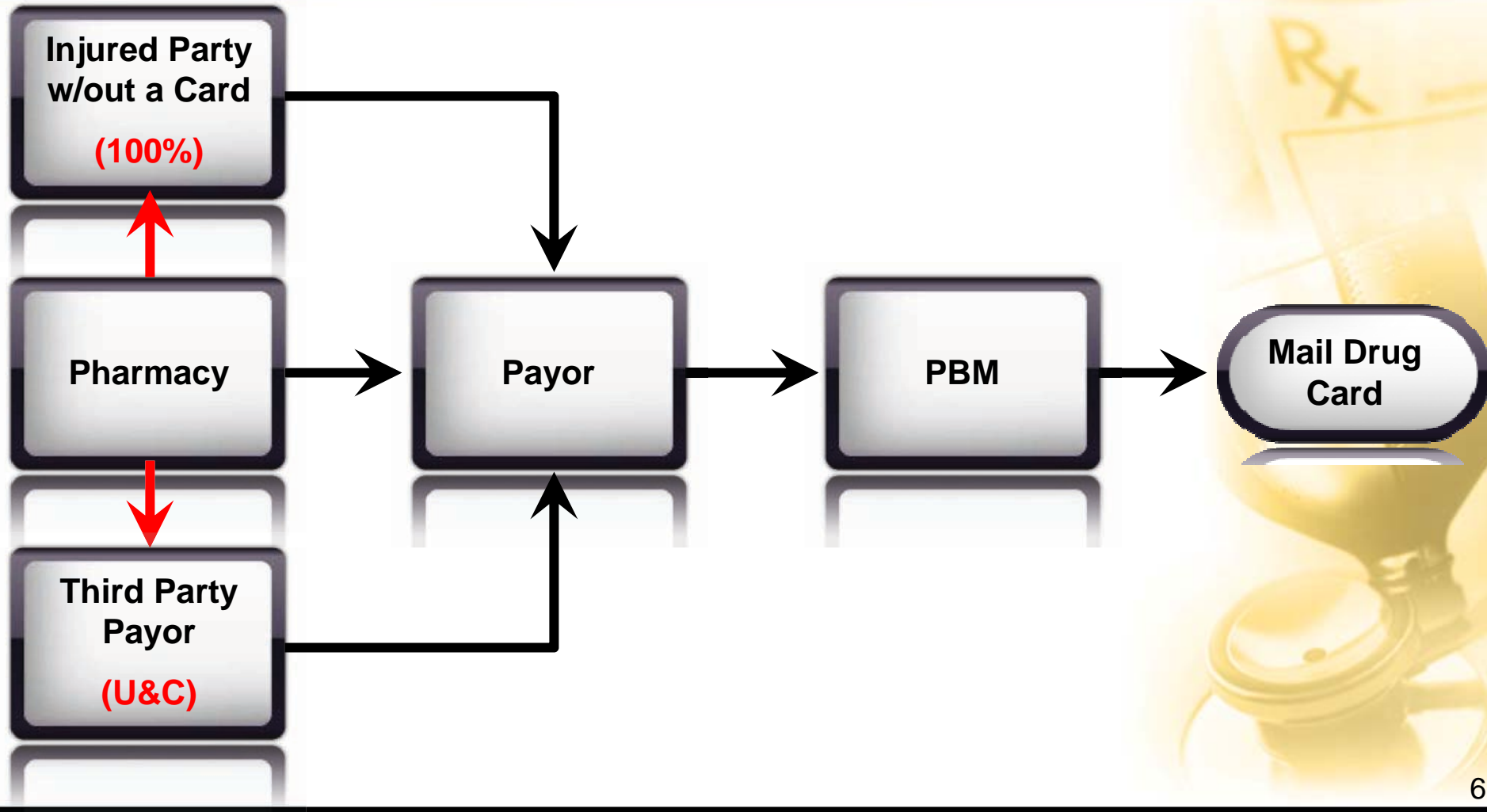
- National chains
- In-network
- Out-of-network
- Reasons for joining a network
 - Eligibility verification
 - Electronic adjudication
 - First fill programs
 - Network contracting
 - Formulary management
 - Drug utilization review
 - Generic substitution



In-Network Process



Out-of-Network Process



Program Penetration

- Prospective Pharmacy Programs
 - Prompt access to a network for immediate prescriptions
 - A cardless program
 - Ongoing prescription needs
 - Long-term / catastrophic prescription needs



Prompt Access to a Network

- Pre-determined at time of injury
- Immediate authorization
- Accepts compensability
- Cost savings captured on this first prescription
- Employer-specific drug options
- Same day expiration at midnight
- No phone calls from the pharmacy
- No out-of-pocket expense to the injured party



Cardless Program

- Quick prescription fulfillment
- Network savings on processed prescription
- No out-of-pocket expenses for the injured party
- No invoices from the pharmacy
- No receipts from the injured party to process



Ongoing Prescription Needs

- National pharmacy network
- Easy monitoring of the injured party's medication usage
- Online pharmacy Drug Utilization Review (DUR) edits
- Cost containment reports available
- DUR reporting on pharmacy expenditures
- Customizable medication plans
- Injured party-specific customization



Long-term Needs

- No medication is shipped without authorization or a valid prescription
- Toll-free, refill line
- Up to 90-day supply allowed, as directed by claims professional
- Over the counter medications available as authorized or required
- Option for auto-shipments



Clinical Program – Drug Utilization Review (DUR)

- **Prospective review**
 - Formulary debate
 - Brand/generic conversion
- **Concurrent review**
 - Point-of-sale alerts
 - Drug Utilization Review (DUR)
- **Intervention**
 - Medical necessity
 - Drug Utilization Evaluation (DUE)
 - Independent Pharmaceutical Evaluation (IPE)
- **Retrospective review**
 - Clinical bill review
- **Trending**
 - Drug Utilization Review
 - Top therapeutic classification
 - Top prescribing physicians report
 - Generic efficiency
 - Generic dollars spent



Concurrent Drug Utilization Review

- Concurrent Drug Utilization Review is processed online through networked pharmacies using industry standard rejections. Any one or more of the following edits could be a source for rejection of a prescription at a pharmacy.
 - Prescriber not covered
 - Duplicate claim
 - Drug Utilization Review edits
 - Unauthorized medications
 - Injured party not covered



Retrospective Review

- Utilization review looks for “red flags” that hit or exceed set triggers within our internal processing software. The following triggers are currently set in our system.
 - Concurrent review
 - A claims professional can be contacted before a prescription is filled.
 - Each prescription trigger can be customized to a cost or a quantity
 - Retrospective review
 - An injured party trigger can be set for a certain number of physicians, refill frequency and/or inappropriate medications
 - Intervention
 - Medical necessity
 - Drug Utilization Evaluation
 - Independent Pharmaceutical Evaluation
 - Clinical bill review audit

Trending

- Drug Utilization Review
- High cost narcotics
- Physician intervention
- Generic efficiency
- Generic dollars spent



Drug Utilization Review

2007- First Half

	Dr. Not Cov	Dup Claim	Clm Not Cov	Auth Req	DUR Edits	Total Amount Rejected	Total Amount Authorized	% Savings
Total:	\$ 24,431	\$ 4,566	\$ 46,876	\$ 208,020	\$ 107,364	\$ 391,255	\$ 2,888,892	11.9%

2006- First Half

	Dr. Not Cov	Dup Claim	Clm Not Cov	Auth Req	DUR Edits	Total Amount Rejected	Total Amount Authorized	% Savings
Total:	\$ 21,135	\$ 1,967	\$ 53,379	\$ 151,169	\$ 70,934	\$ 298,584	\$ 2,618,048	10.2%

Top Therapeutic Classification

Customer Name ABC Company
 Report Title TOP N THERAPEUTIC CLASSIFICATIONS FOR ALL
 Report Time Period From 10/01/2006 to 10/31/2006
 Report Run Date 11/1/2006

DRAFT  **PROGRESSIVE**
 Medical, Inc.

BY DOLLAR AMOUNT:	# of Prescriptions	Network Cost	Average Cost per RX
Analgesics - Narcotic	995	\$ 170,181	\$ 171
Anticonvulsant	389	\$ 72,189	\$ 186
Antidepressants	421	\$ 44,356	\$ 105
Musculoskeletal Therapy Agents	256	\$ 25,662	\$ 100
Analgesics - Anti-Inflammatory	257	\$ 25,644	\$ 100
Gastrointestinal Agents	188	\$ 24,334	\$ 129
Dermatological	80	\$ 14,779	\$ 185
Antipsychotics	63	\$ 13,604	\$ 216
Hypnotics	98	\$ 11,606	\$ 118
Antianxiety Agents	142	\$ 9,954	\$ 70

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Antianxiety Agents	142	\$ 9,954	\$ 70
Cardiovascular Agents	115	\$ 9,525	\$ 83
Hypnotics	98	\$ 11,606	\$ 118
Dermatological	80	\$ 14,779	\$ 185



Top Prescribing Physicians Report

Customer Name ABC Company
 Report Title Top Prescribing Physicians Report
 Report Time Period XX/XX/YYYY to XX/XX/YYYY
 Report Criteria xxx
 Sort by Dollars and Scripts
 Report Run Date XX/XX/YYYY



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By Network Cost					
Physician	State of Residence	NPI	# of Claimants	# of Scripts	Network Cost
Dr. Ed Jones	OH	123456789x	123	599	\$66,046
Dr. Billy Mayfair	IN	123456789x	12,323	394	\$19,784
Dr. Edwardo Avaio	TX	123456789x	123,123	192	\$18,384
Dr. Phil Smith	VA	123456789x	21,234	152	\$14,299
Dr. Joney Jones	OH	123456789x	12	48	\$1,628
Grand Total			156,815	1,365	\$120,141

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Generic Efficiency

Customer Name ABC Company
 Report Title Generic Efficiency
 Report Time Period XX/XX/YYYY to XX/XX/YYYY
 Report Criteria By Month
 Report Run Date XX/XX/YYYY



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Month	Total # of Scripts	# of Brand	# of Generic	% Generic	# Generic Available	% Generic Efficiency	# of DAW	% Efficiency Less DAW
January	2,160	2000	160	7%	356	45%	90	60%
February	2,444	622	1822	75%	2444	75%	30	75%
March	2,556	1550	1006	39%	2000	50%	85	53%
April	3,101	2500	601	19%	780	77%	58	83%
May	3,554	3000	554	16%	1500	37%	305	46%
June	2,260	1260	1000	44%	1960	51%	56	53%
July	3,444	1444	2000	58%	2750	73%	65	74%
August	3,556	2556	1000	28%	3000	33%	969	49%
September	4,101	3560	541	13%	895	60%	110	69%
October	4,554	2554	2000	44%	2550	78%	35	80%
November	3,260	2240	1020	31%	1950	52%	120	56%
Total:	34,990	23286	11704	33%	20185	58%	1923	61%

Generic Dollars Spent

Customer Name ABC Company
 Report Title Generic Dollars Spent Report
 Report Time Period XX/XX/YYYY to XX/XX/YYYY
 Report Criteria By Month
 Report Run Date XX/XX/YYYY



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Month	By Cost of Scripts			By # of Scripts		
	Network Cost	Generic Network Cost	% Generic	Number of Scripts	#Generic	% Generic
January	\$ 461,967	\$ 174,706	38%	3,544	2,143	60%
February	\$ 363,771	\$ 138,116	38%	2,655	1,581	60%
March	\$ 410,632	\$ 157,582	38%	3,195	1,874	59%
April	\$ 446,450	\$ 162,943	36%	3,341	1,990	60%
May	\$ 467,222	\$ 180,857	39%	3,426	2,049	60%
June	\$ 467,280	\$ 169,852	36%	3,510	2,098	60%
July	\$ 437,286	\$ 161,220	37%	3,145	1,866	59%
August	\$ 443,503	\$ 172,634	39%	3,280	1,991	61%
September	\$ 480,645	\$ 190,140	40%	3,373	2,098	62%
October	\$ 537,533	\$ 188,258	35%	3,745	2,241	60%
November						
December						
Total	\$ 4,516,289	\$ 1,696,308	38%	33,214	19,931	60%

Important Aspects of a Pharmacy Program

- Experience in workers' compensation
- Flexible and customizable solutions
- Technological solutions
- Workers' compensation specific national network
- Network penetration
- Home delivery flexibility
- Network discounts
- Strong implementation program
- 24/7 customer service
- Medication plans vs. formularies

