



Pharmacy Trends in Workers' Compensation

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Agenda

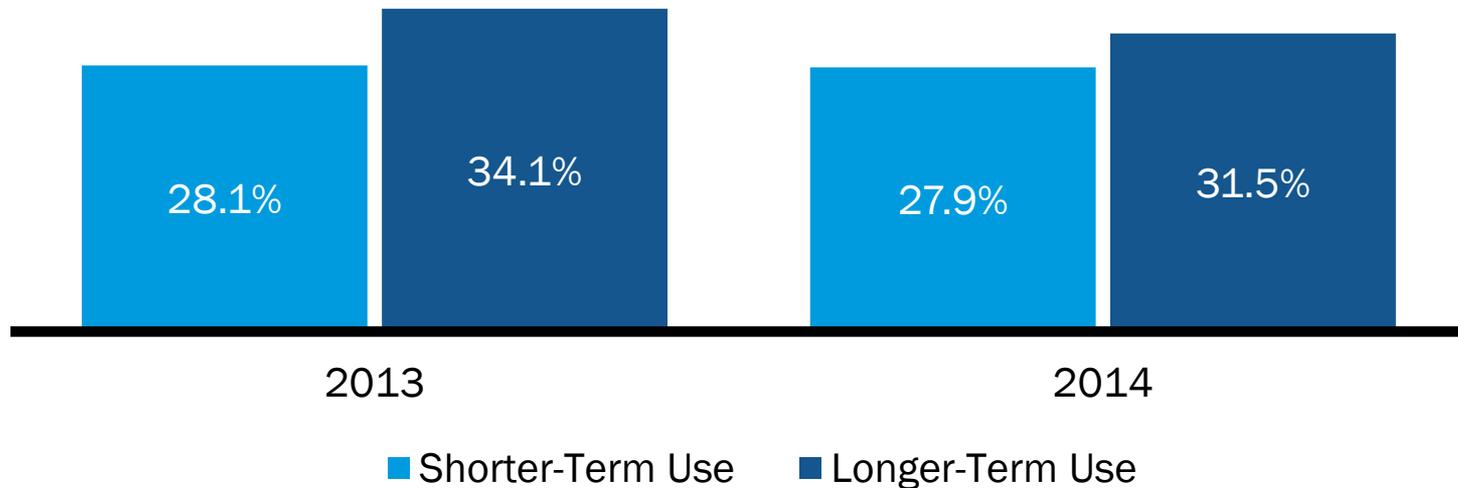
- Drug Trend Report Highlights
 - Opioids
 - Compounds
 - Therapeutic Mix
 - Specialty Medications
- Government Affairs
 - State formularies and treatment guidelines
 - ODG/ACOEM or state guidelines
- Medical Marijuana
- Questions

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 Rx's decreased, but days' supply increased
- 54.4% of opioid Rx's 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

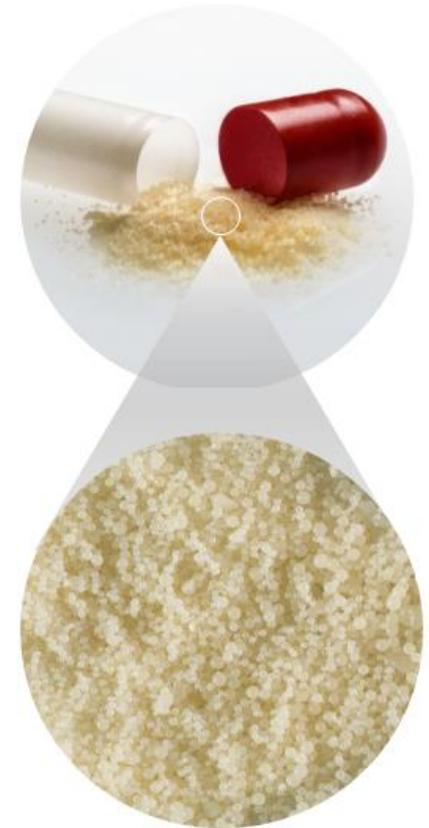


<http://www.cdc.gov/drugoverdose/epidemic/riskfactors.html>

Abuse Deterrent Narcotic Formulations

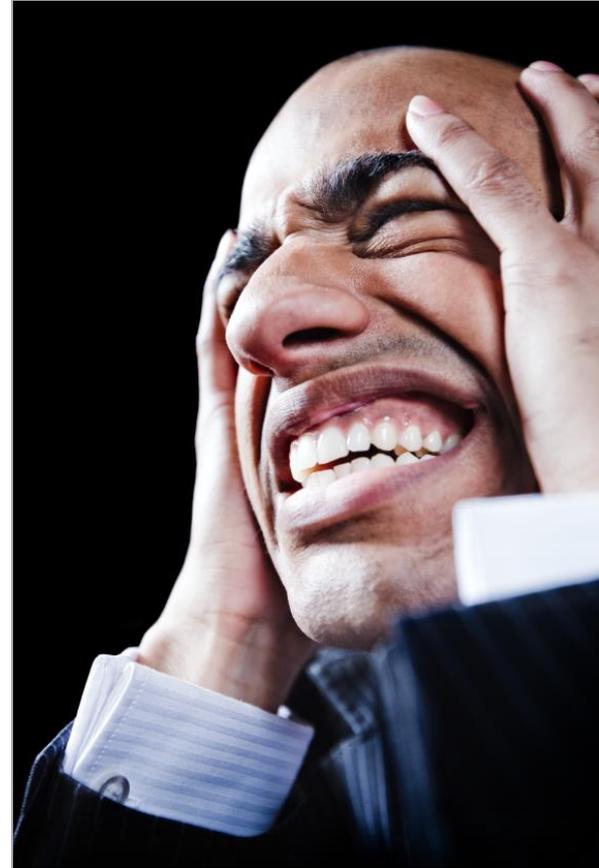


- Abuse Deterrent, not Abuse-Proof
 - May address crushing, but not injection
 - Outbreak of HIV, Hepatitis C in Indiana with Opana
- Websites for users to discuss how to circumvent the ADF
 - Erowid, Opiophile (no longer functional), Bluelight...even YouTube
- Cost of Abuse Deterrent Formulations
 - 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

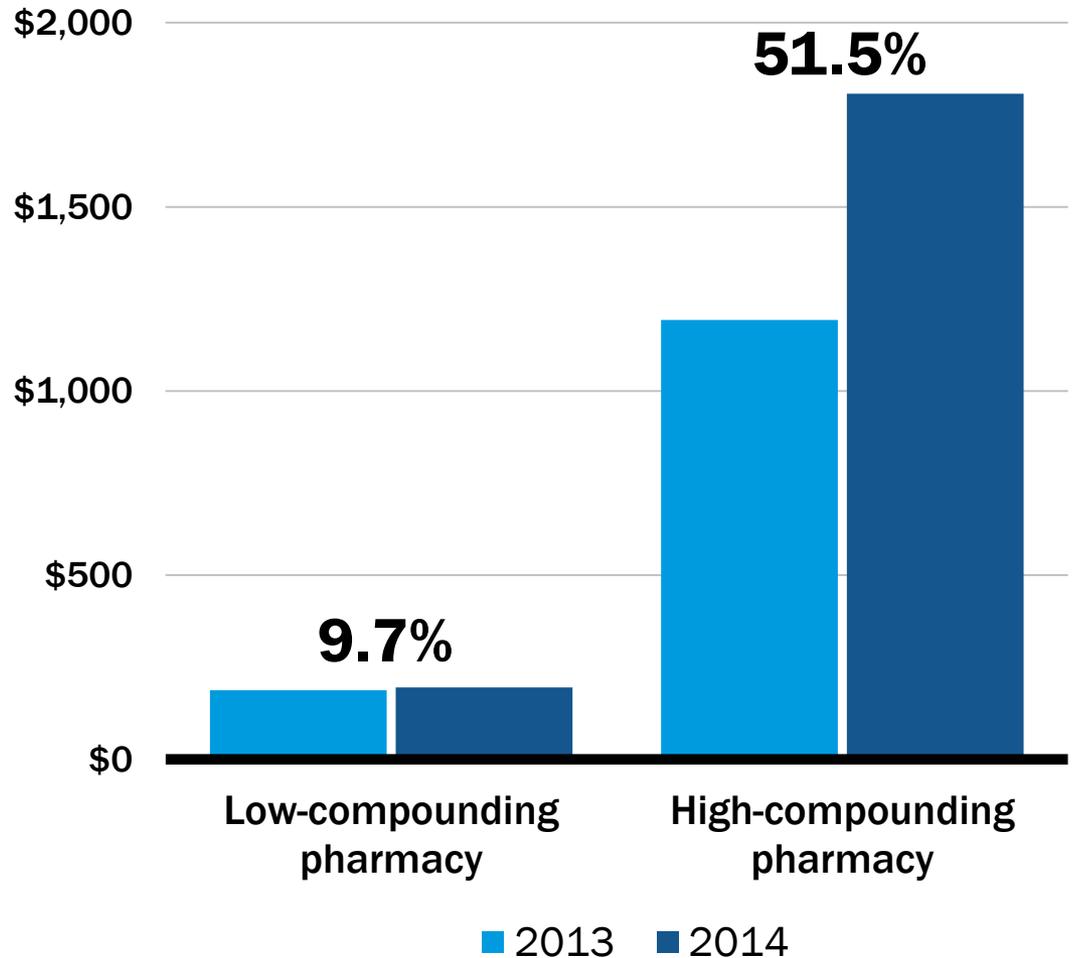
Compounded Medications

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

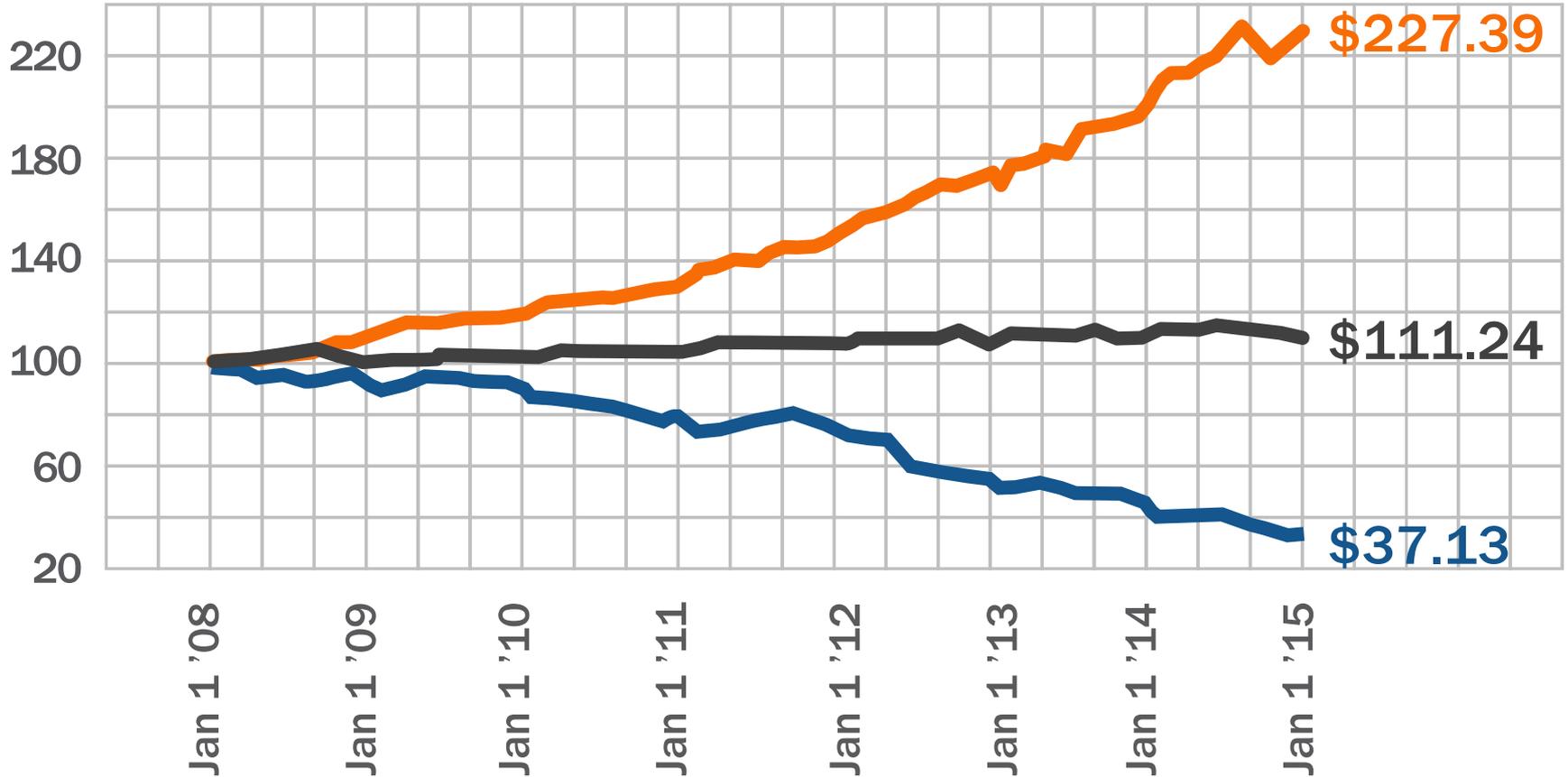


Case Study: Compound Medications

- 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

Index



— Brand Prescription Price Index — Generic Prescription Price Index — Consumer Price Index (BLS)

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

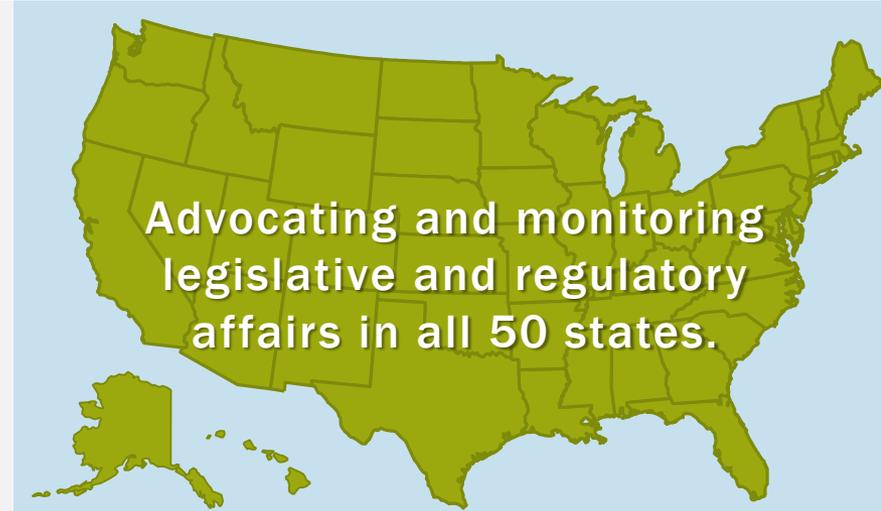
Clinical Insights on High Cholesterol

- 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

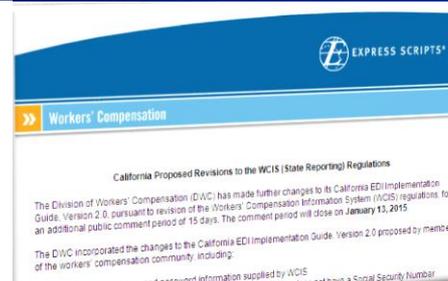


Advocating for health care policies and practices that make prescription drugs safer and more affordable for the patients we serve.

INDUSTRY THEMES

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

CLIENT INFORMATION

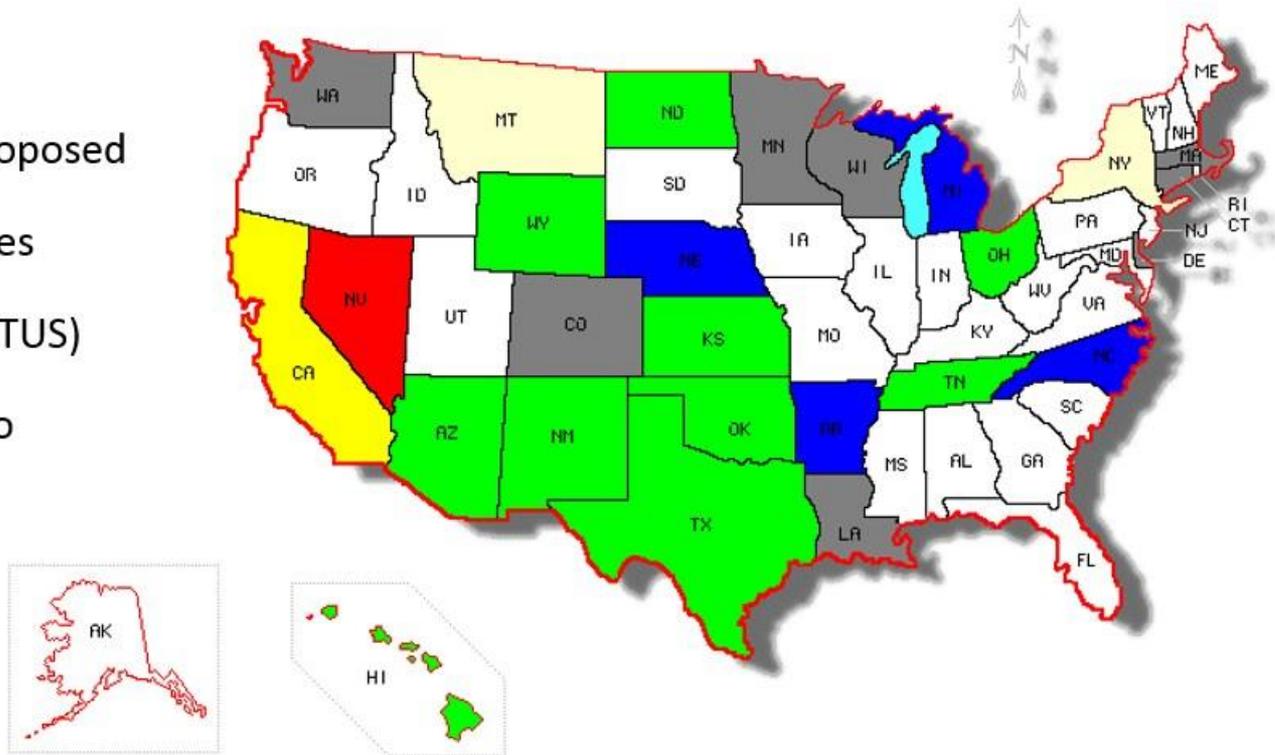


PHARMACY EXPERTS

We focus on pharmacy, but monitor the broader healthcare landscape

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.
- You may also contact:

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