

The Journal of Workers Compensation

A quarterly review of risk management and cost containment strategies

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A GROWING NEED FOR COVERAGE
THE PAST, PRESENT, AND FUTURE OF THE DEFENSE BASE ACT



EFFECTIVE PHARMACY MANAGEMENT PROGRAMS
A COMPARISON OF DIFFERENT APPROACHES



KEY COST DRIVERS IN WORKERS COMPENSATION
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2008 DRUG TRENDS: KEY COST DRIVERS IN WORKERS COMPENSATION

MARIA SCIAME AND MATTHEW FOSTER

Although the nation's businesses have made significant progress in reducing the number of injured workers through increased training, advanced technology, and improved processes, the severity of injuries and illnesses has increased substantially. As a result, the cost per injured worker continues to rise. Escalating costs associated with pharmaceutical care are at the forefront of this dilemma.

Recent estimates indicate that pharmacy accounts for approximately 12 percent of total medical costs. More importantly, as a claim ages, pharmacy consumes an even greater percentage of medical costs — by year five post-injury, pharmacy spend represents 25 percent or more of total medical costs. This fact is further supported by extensive historical data, which demonstrates that more than 85 percent of total pharmacy spend is associated with injuries that happened three or more years ago.

In reviewing the rise of workers compensation indemnity claims, employers and providers are wise to analyze the factors affecting pharmacy costs to not only reduce expenses, but also to improve the care of injured workers. A better understanding of the factors driving prescription drug price and utilization will play a major role in driving down costs of individual workers compensation claims.

The following report, taken from PMSI's Annual Drug Trends Report 2008, analyzes data to help senior risk managers and executives compare and evaluate pharmacy spend and determine where to focus the majority of mitigation efforts for optimal cost containment. The main objectives are to identify the key drivers of pharmacy cost increases, demonstrate the impact of price versus utilization on those increases, and identify cost drivers that can be influenced by an effective pharmacy program versus those that are driven only by market influences.

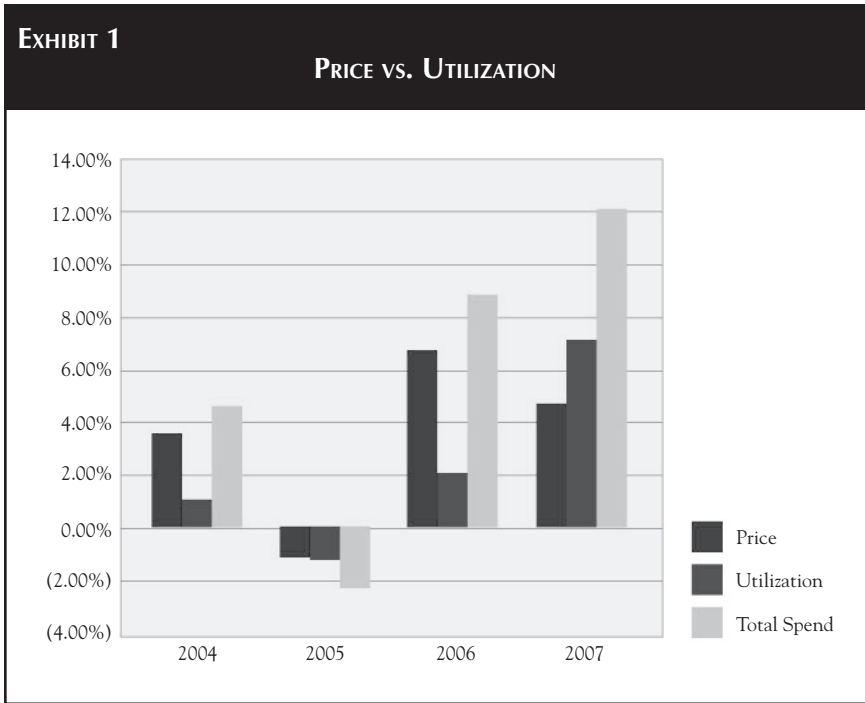
A comprehensive overview of the key costs drivers, the analysis focuses on:

- **Price Trends** — Factors affecting average price such as impact of average wholesale price (AWP), new brand medications, new generic launches, and Pharmacy Benefit Management (PBM) influences.
- **Utilization Trends** — Factors affecting increased utilization, such as age of claim, number of injured workers using medications, and number of medications per injured worker.
- **Drug Usage Trends** — Price and utilization changes among the top drug classes.

Based on data ranging from 2003–2007, this report encompasses in excess of 12 million prescription transactions, representing pharmacy utilization for nearly 1.5 million injured workers, and totaling \$1.3 billion in pharmacy spend. The magnitude of the source data aggregated over five years allows the extrapolation of insightful trends and in-depth analysis, creating a significant and credible study for the workers compensation industry.

PRICE AND UTILIZATION

To fully understand the complete picture of pharmacy costs, pharmacy trend analysis must factor in both price and utilization. To identify trends, the full scope of industry drivers, both controllable and noncontrollable, must be captured.



As Exhibit 1 illustrates, the workers compensation industry experienced double-digit growth in total pharmacy spend in 2007, when taking into consideration both price and utilization. Growth in spending increased from 8.67 percent in 2006 to 11.91 percent in 2007 per injured worker. At 4.6 percent, the impact of price on total pharmacy spend in 2007 represented 39 percent of the increase, while utilization contributed the remaining 7.31 percent, representing 61 percent of the increase.

PRICE TRENDS AND IMPACTS

Price is influenced by controllable and noncontrollable factors. The noncontrollable factors include Average Wholesale Price (AWP) increases, which are predominantly annual inflationary factors; new product introductions, such as new brand medications, which will increase the average price of a prescription; and new generic medication launches, which will help to reduce prescription price.

The impact of price on total pharmacy spend is generally the primary focus of most payors and pharmacy administrators because it is easily defined and measured.

Impact of Average Wholesale Price

AWP is a medication reference price, which is the cornerstone of most state workers compensation fee schedules, payor contracts, and pharmacy contracts. Because AWP increases are defined by drug manufacturers, it is a noncontrollable factor. The list of top medications used in the workers compensation industry is substantially different from the list of top medications commonly used by group health organizations. Not only are the medication classes different than in group health, there is also a substantial increase in the medications used for pain relief in workers compensation. Because of these issues, it is crucial to differentiate between group health and workers compensation drug inflation rates.

The AWP is currently used as a benchmark for 25 of the 50 states for determining workers compensation standard rates. The AWP rate is criticized for representing artificially high baseline prices. As a result, price increases based on AWP are more critical in workers compensation than in other industries.

Historically, AWP pricing tends to remain relatively constant for generic medications, while brand medications have typically demonstrated 7

EXHIBIT 2

TOP 25 BRAND NDCs DISPENSED

2007 RANK	NDC	BRAND NAME	DOSAGE	2006 AWP	2007 AWP	% CHANGE
1	6348 1068706	Lidoderm	Patch, 5%	\$6.71	\$7.12	6.15
2	0002 5152531	Celebrex	Capsule, 200 mg	\$3.60	\$3.91	8.51
3	5901 1010710	OxyContin	Tablet, 80 mg CR	\$11.05	\$11.49	4.04
4	6079 3013601	Skelaxin	Tablet, 800 mg	\$3.16	\$3.30	4.39
5	5901 1010510	OxyContin	Tablet, 40 mg CR	\$5.87	\$6.12	4.31
6	0000 2323730	Cymbalta	Capsule, 60 mg	\$4.09	\$4.38	7.05
7	0007 1101468	Lyrica	Capsule, 75 mg	\$2.14	\$2.28	6.50
8	0002 5152551	Celebrex	Capsule, 200 mg	\$3.50	\$3.80	8.70
9	0002 4552131	Ambien CR	Tablet, 12.5 mg	\$3.76	\$4.25	12.93
10	5045 8003605	Duragesic	Patch, 100 mcg/hr	\$64.01	\$69.64	8.80
11	0000 2324030	Cymbalta	Capsule, 30 mg	\$4.12	\$4.39	6.52
12	0004 5064165	Topamax	Tablet, 100 mg	\$5.60	\$6.14	9.69
13	6345 9020101	Provigil	Tablet, 200 mg	\$9.13	\$9.62	5.32
14	5901 1010310	OxyContin	Tablet, 20 mg CR	\$3.32	\$3.46	4.19
15	0007 1101368	Lyrica	Capsule, 50 mg	\$2.14	\$2.27	5.95
16	6348 1062970	Percocet	Tablet, 10-325 mg	\$3.13	\$3.95	25.98
17	0007 1101668	Lyrica	Capsule, 150 mg	\$2.14	\$2.23	4.60
18	6340 2019310	Lunesta	Tablet, 3 mg	\$4.22	\$4.73	12.12
19	0002 4542131	Ambien	Tablet, 10 mg	\$4.10	\$5.18	26.34
20	0018 6504031	Nexium	Capsule, 40 mg	\$5.42	\$5.74	5.77
21	6345 9050830	Actiq	Lozenge, 800 mcg	\$32.18	\$47.87	48.78
22	0007 1101568	Lyrica	Capsule, 100 mg	\$2.12	\$2.25	5.81
23	5045 8003505	Duragesic	Patch, 75 mcg/hr	\$48.09	\$52.27	8.69
24	6345 9051230	Actiq	Lozenge, 1200 mcg	\$41.74	\$63.11	51.19
25	0030 0304613	Prevacid	Capsule, 30 mg DR	\$5.47	\$5.71	4.45

EXHIBIT 3**TOP 10 BRAND MEDICATIONS BY
% CHANGE IN AWP 2006 TO 2007**

2007 RANK	NDC	BRAND NAME	DOSAGE	2006 AWP	2007 AWP	% CHANGE
1	6345 9050230	Actiq	Lozenge, 200 mcg	\$16.44	\$26.94	63.85
2	6345 9050630	Actiq	Lozenge, 600 mcg	\$26.64	\$41.40	55.43
3	6345 9051230	Actiq	Lozenge, 1200 mcg	\$41.74	\$63.11	51.19
4	6345 9051630	Actiq	Lozenge, 1600 mcg	\$51.39	\$76.71	49.28
5	6345 9050830	Actiq	Lozenge, 800 mcg	\$32.18	\$47.87	48.78
6	6345 9050430	Actiq	Lozenge, 400 mcg	\$22.57	\$33.32	47.65
7	0002 4542150	Ambien	Tablet, 10 mg	\$3.93	\$5.04	28.28
8	6348 1062270	Percocet	Tablet, 10-650 mg	\$3.34	\$4.25	27.37
9	0002 4540131	Ambien	Tablet, 5 mg	\$4.14	\$5.26	27.13
10	6348 1062870	Percocet	Tablet, 7.5-325 mg	\$2.37	\$3.00	26.35

percent to 9 percent annual increases. The year 2007 was consistent with this trend, with AWP increases of 10 percent for brand medications and negligible increases in generic AWP.

The largest percentage increases in AWP occurred for Actiq and Ambien, both brand medications that had generic equivalents become available in the past 18 to 24 months. Prior to the release of their generic equivalents, these medications had significant increases in brand AWP.

The combination of brand and generic AWP changes resulted in an overall AWP increase of 7 percent for 2007. This contributed a net increase of 6.1 percent to the average price of a prescription during this period.

Impact of New Brand Medications

Once AWP is taken into consideration, the next factor contributing to price change is the impact of new brand medications introduced into the market. In 2007, new brand medications launched in 2006 and 2007 contributed 2.54 percent to the increase in average drug price.

Three of the top five new brand medications during the 2006 to 2007 period were in the narcotic analgesic drug class. Opana and Opana ER contributed 0.65 percent to the overall increase in price. The active ingredient in Opana is oxycodone, a closely related medication to oxycodone and morphine. The medication is available in both short- and long-acting formulations but has no significant therapeutic or financial advantage over other narcotic pain relievers previously on the market.

Fentora is a new formulation of fentanyl citrate, the same active ingre-

EXHIBIT 4

NEW BRAND MEDICATIONS

Medication	Date of Launch	2007 Price Impact
Opana	June 2006	0.65 %
Fentora	October 2006	0.75 %
Soma 250 mg	September 2007	0.02 %
Ambien CR	March 2006	1.13 %
Ultram ER	January 2006	0.93 %

dient found in Actiq lozenges. Fentora has captured a significant market share from both brand and generic Actiq and is expected to continue to gain share from Actiq, largely due to its formulation as a rapidly dissolving tablet instead of a lozenge.

Ultram ER is the third new pain reliever. Ultram ER is an extended-release formulation of the previously available short-acting pain reliever called Ultram (tramadol). Ultram ER seems to be gaining increased use as a noncontrolled, long-acting pain reliever for mild to moderate pain.

The other new brand medications are not new chemical entities but rather different strengths or long-acting formulations of medications previously on the market. None of these new brand medications offer significant benefits or breakthroughs in the management of common workers compensation conditions in comparison to previously existing products.

Impact of New Generic Launches

After the increases associated with AWP and new brands are factored in, we then take into consideration price decreases associated with new generic drug launches. Several drugs became available generically in 2006 and 2007, which had a significant impact on overall price per prescription in 2007 — resulting in a net savings of 1.98 percent.

Four of the nine new generic launches during this period were medications listed in the top 20 highest cost medications in 2006. Ambien, Mobic, and Actiq were all medications in the top 20 that became available generi-

EXHIBIT 5**NEW GENERIC MEDICATIONS**

Generic Name	Brand Name	Date of Launch	% Savings	12/07 Efficiency Rate
Fentanyl 12.5 mcg patch	Duragesic	January 2007	27.55	85.4%
Fentanyl citrate	Actiq	December 2006	27.55	84.4%
Meloxicam	Mobic	July 2006	23.44	97.9%
Cyclobenzaprine 5 mg	Flexeril	January 2006	49.70	96.1%
Sertraline	Zoloft	August 2006	25.74	96.2%
Bupropion ER 300 mg	Wellbutrin XL	June 2007	26.90	95.8%
Oxcarbazepine	Trileptal	December 2007	24.60	78.2%
Zolpidem	Ambien	April 2007	15.21	96.2%
Pantoprazole	Protonix	December 2007	32.80	62.6%

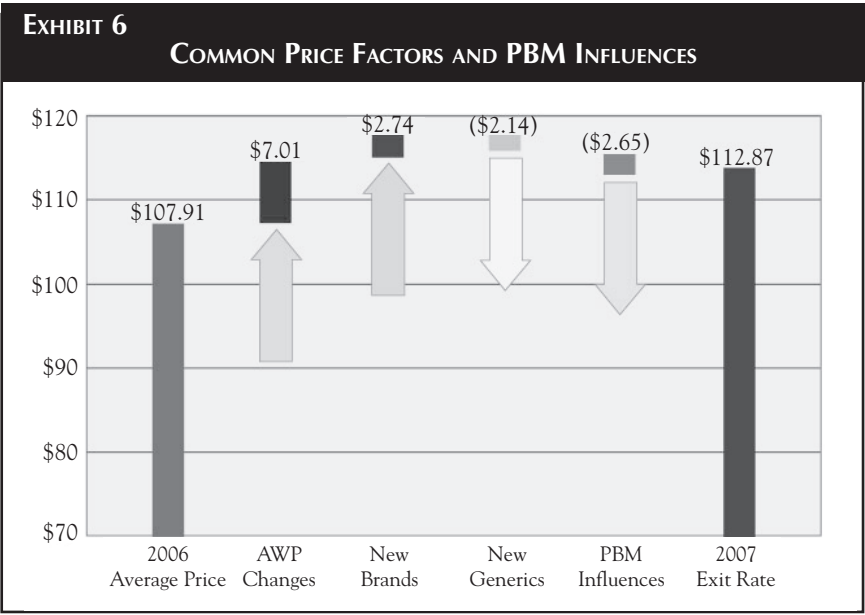
cally in all strengths. One strength of Duragesic patches became available in 2007, while the others were available previously as generics. Another four medications in the top 50 in 2006 — Protonix, Zoloft, Flexeril and Wellbutrin XL — became available as generics during this time. However, some strengths of Flexeril and Wellbutrin were previously available as generic formulations. In total, these medications contributed to a decrease of approximately 2 percent in average prescription price with several of the medications available generically for only a portion of the year. In the future, these medications will provide an even greater annualized cost savings.

Summary of Market Factors on Price

When we take into consideration the impact of all market factors, assuming all other things remain equal, the industry at large should have seen a 6.7 percent increase in average price per prescription. This is driven by a 10 percent increase in average brand price and little or no increase in generics, translating to a 6.1 percent increase in price due to AWP factors. In addition, a 2.54 percent increase, due to new brand medications, and a 1.98 percent decrease, due to new generic launches, combined to create a 6.7 percent net increase. These factors are outside the control of a PBM.

PBM Influences

PBMs can influence costs by containing average price increases. This can be done by partnering with payors to improve network penetration and



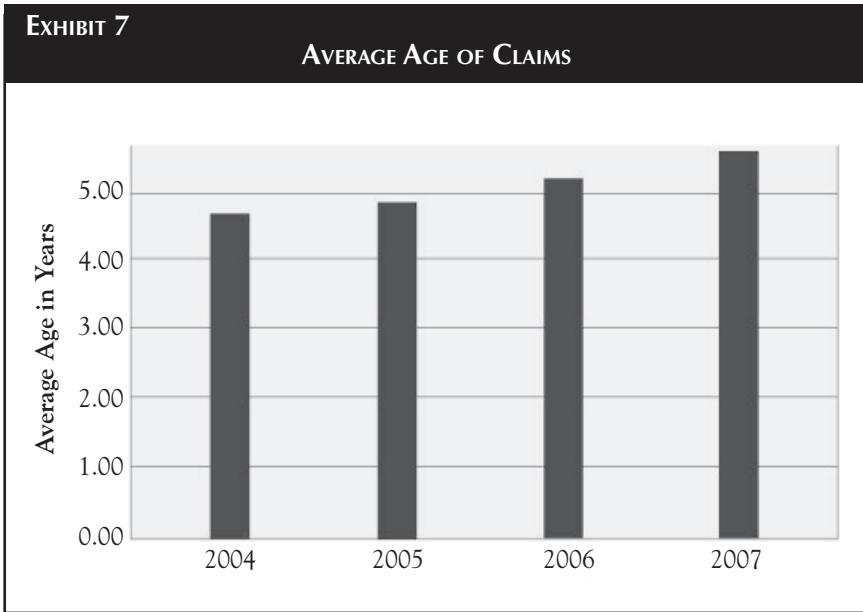
increase generic substitution and mail-order utilization. By maximizing these controllable elements, pharmacy benefit management programs can deliver cost-containment solutions.

Exhibit 6 illustrates the impact on price increases of the noncontrollable factors — AWP changes, new brand medications, and new generic launches — and the ability of a PBM to exert significant influence over them through improved network penetration, generic substitution, and mail-order utilization.

UTILIZATION TRENDS AND IMPACTS

In this report, utilization change is defined as the net change in the average number of prescriptions per injured worker per year. There are two perspectives that need to be taken into consideration to fully understand exactly what is driving either an increase or decrease in utilization. This report examines the change in the number or percentage of injured workers taking a medication or medication class, and the number of prescriptions (length of therapy) once an injured worker has started medication therapy.

Data indicate that the workers compensation industry experienced a net growth of 7.31 percent in utilization, up from a growth of 1.96 percent in 2006. When considering the two components of utilization — more injured workers vs. more prescriptions — a quarter of the 7.31 percent increase (1.83 percent)



in utilization was due to more injured workers taking medications, while the remaining 75 percent of the increase was due to more prescriptions per injured worker or a longer duration of therapy.

One of the key factors that influence utilization is the age of the claim. As the claim ages from the original date of injury, there is a greater use of medications attributable to both an increase in the type of medications taken and the longer duration of therapy.

Exhibit 7 illustrates the aging of claims in the workers compensation industry. On average, claim age increased by 6.27 percent, from 5.26 years in 2006 to 5.59 years in 2007. This information is consistent with NCCI reports that have indicated a decrease in work-related injuries. However, when injuries do occur, they tend to be of greater severity.

DRUG USAGE TRENDS

In workers compensation, medication use is predominantly related to pain management. There has been essentially no movement in the top drug classes used in workers compensation over the past few years. The top five drug classes represent over 70 percent of total drug spending, while the top ten drug classes represent over 85 percent of total drug spend.

- The top drug class remains narcotic analgesics and represents 35 per-

cent of total drug spending. Medications such as Vicodin, Percocet, OxyContin, and Actiq are representative examples of medications in this class. What was the influence or impact of price compared to (or versus) utilization on overall costs?

- The second and fifth most common drug classes are anticonvulsants and antidepressants. In workers compensation, these drug classes are used primarily as adjunctive pain management drugs, with antidepressants also being used to treat depression. What was the impact of the number of injured workers versus the number of prescriptions on utilization increases?
- The third and fourth most commonly used drug classes are anti-inflammatory drugs and skeletal muscle relaxants, rounding out the most common drug classes used to treat pain.
- The remaining top ten drug classes include medications, such as anti-anxiety drugs, sedatives/hypnotics, and antacids, often used to counteract side effects caused by other medications, such as anti-inflammatory medications.

When viewed as a whole, medications used to manage pain account for the majority of all pharmacy expenditures in workers compensation. In contrast to disease management or even injury management, the focus of workers compensation clinical and utilization management programs clearly needs to be on pain management.

There has been little change over the past couple of years in the specific medications used in the treatment of injured workers. The top 20 medications have remained the same, with only minor variation in ranking.

EXHIBIT 8

TOP 5 DRUG CLASSES BY COST

Drug Class	Typical Drugs	% of Cost
Narcotic analgesics	Vicodin, Percocet, OxyContin	35.24
Anticonvulsants	Lyrica, Neurontin	11.22
Non-steroidal anti-inflammatory drugs (NSAIDs)	Celebrex, Ibuprofen, Mobic	9.15
Skeletal muscle relaxants	Flexeril, Skelaxin	8.48
Antidepressants	Cymbalta, Zoloft, Effexor	7.51

EXHIBIT 9

TOP 20 MEDICATIONS BY COST

Generic Name	Brand Name	2006 Rank	2007 Rank	% of Total Cost	Average Cost/ Injured Worker
Oxycodone HCl	OxyContin	1	1	9.13	\$1,832.54
Lidocaine	Lidoderm	3	2	5.47	\$777.46
Hydrocodone-acetaminophen	Vicodin, Lortab	2	3	5.18	\$108.08
Fentanyl	Duragesic	4	4	4.27	\$2,335.33
Gabapentin	Neurontin	5	5	4.06	\$712.62
Fentanyl citrate	Actiq, Fentora	6	6	4.06	\$17,888.77
Oxycodone-acetaminophen	Percocet	8	7	3.75	\$253.48
Celecoxib	Celebrex	7	8	3.74	\$516.66
Pregabalin	Lyrica	9	9	3.69	\$400.64
Zolpidem tartrate	Ambien, Ambien CR	10	10	2.95	\$480.85
Metaxalone	Skelaxin	11	11	2.62	\$772.65
Tramadol HCl	Ultram, Ultram ER	12	12	2.45	\$1,212.29
Morphine sulfate	MS Contin, Kadian	13	13	2.38	\$179.98
Duloxetine HCl	Cymbalta	17	14	2.19	\$296.98
Cyclobenzaprine HCl	Flexeril	15	15	1.89	\$392.88
Meloxicam	Mobic	14	16	1.69	\$1,375.88
Tizanidine HCl	Zanaflex	18	17	1.66	\$99.65
Carisoprodol	Soma	16	18	1.57	\$298.25
Topiramate	Topamax	19	19	1.47	\$191.06
Venlafaxine HCl	Effexor XR	20	20	1.04	\$982.01
Total				65.26	

UTILIZATION TRENDS BY DRUG CLASS

When assessing utilization trends by drug class, each class was analyzed based on the following four questions:

- What was the influence or impact of price on utilization?
- What was the impact of the number of injured workers versus the number of prescriptions?
- Which medications had the greatest influence on price?
- Which medications had the greatest influence on utilization?

Our data show a net increase in utilization of 7.31 percent — 47 per-

EXHIBIT 10
PRICE AND UTILIZATION CHANGES AMONG TOP 10 DRUG CLASSES

Drug Class	Price Change	Utilization Change	Injured Worker Change*	RX Change**
Narcotic analgesics	6.33%	9.27%	3.20%	5.88%
Anticonvulsants	1.21%	14.77%	6.79%	7.47%
Non-steroidal anti-inflammatory drugs (NSAIDs)	0.55%	1.43%	-0.88%	2.33%
Skeletal muscle relaxants	0.96%	6.07%	2.06%	3.93%
Antidepressants	5.88%	7.09%	0.48%	6.58%
Dermatologics	11.47%	9.39%	6.05%	3.15%
Sedatives/Hypnotics	10.67%	14.20%	6.13%	7.61%
Anti-ulcer drugs	0.13%	8.94%	3.27%	5.49%
Anti-anxiety agents	-2.03%	10.94%	7.65%	3.06%
Antipsychotics	7.57%	5.70%	0.20%	5.50%

*Injured worker change is the change in the number or percentage of injured workers taking medication in the drug class.

**Rx change is the change in the number of prescriptions or length of therapy once an injured worker has started on a medication therapy.

cent of which is attributed to narcotic analgesics. The remaining top four drug classes (see Exhibit 8) account for 43 percent of the total utilization increase. Exhibit 10 illustrates price and utilization changes for the top 10 drug classes used to treat workers compensation injuries.

Narcotic Analgesics

When investigating the impact that each individual drug class has on overall utilization change, narcotic analgesics represent 47 percent of the overall increase, with 35 percent of the increase due to a higher percentage of injured workers taking narcotics and 65 percent of the increase due to more narcotic prescriptions per injured worker. In fact, 92 percent of all injured workers took at least one narcotic prescription in the past year — up from 89 percent in 2006. Acute, short-acting medications accounted for 30 percent of the overall increase in utilization, with generics for Vicodin/Lortab representing 20 percent of the overall increase and generic Percocet accounting for the remaining 10 percent. Chronic, long-acting narcotics, such as OxyContin (6.4 percent) and Ultram ER (9.9 percent), were key contributors to the remaining utilization increase.

An increase in the use of short-acting narcotics such as Vicodin and

Percocet is interesting because of the long period of time these medications have been on the market. A significant portion of the increase is caused by dosage variations (increased amounts from traditional strengths). Prescribing these increased strengths allows injured workers to receive higher dosages of narcotic analgesics, and therefore better pain control, without exceeding the dosage threshold for acetaminophen, the second active ingredient in these medications.

Also of note is the increased use of Ultram ER as a noncontrolled analgesic option for the treatment of mild to moderate pain associated with occupational injuries.

Anticonvulsants

The impact of utilization on overall cost increases for anticonvulsants was far greater than the impact of price. The influencing factors are balanced between the number of injured workers taking anticonvulsants and the number of prescriptions per injured worker. However, 90 percent of this increase is due to the introduction of Lyrica into the market in 2006. While other medications had essentially no impact, Lyrica accounts for 12.3 percent of overall utilization increase.

Lyrica is a cost-effective alternative for the treatment of neuropathic pain. This medication is similar, in chemical structure and mechanism of action, to gabapentin, which historically has been the leading medication in this class. Lyrica offers both clinical and economic advantages to gabapentin.

From a clinical perspective, Lyrica has gained increased use and market share for a number of reasons. This medication has a better side effect profile than gabapentin and is well tolerated by injured workers, allowing more injured workers to remain on the medication for longer periods of time. In addition, the onset of pain relief may begin within one to two weeks, as opposed to three to eight weeks with the use of gabapentin. As a result, the injured worker should experience better pain control more quickly leading to improved functional ability.

Another advantage for Lyrica is that the AWP price per dose of Lyrica is the same for all dosage strengths. Therefore, increasing the daily dose does not increase the cost of therapy. This translates into the cost of Lyrica therapy at 17 percent less than gabapentin. This is a rare example of a new brand medication being more cost-effective than its generic alternative.

Nonsteroidal Anti-inflammatory Drugs (NSAIDs)

Anti-inflammatory drugs account for 9 percent of all prescription costs

and 12 percent of all prescription transactions. As a class, they experienced less than 1 percent increase in price and less than 1.5 percent increase in utilization. When the key drivers of utilization are segmented, this is one of the few drug classes that not only experienced a reduction in prescriptions written but also showed a slight increase in prescriptions per injured worker.

Skeletal Muscle Relaxants

Skeletal muscle relaxants account for 8.5 percent of all costs and 10.5 percent of all prescription transactions. Most of the growth associated with this class of medications is due to increased utilization. With a net increase of approximately 6 percent, 33 percent of this growth is due to a greater number of injured workers taking skeletal muscle relaxants and 67 percent is due to more prescriptions per injured worker. Utilization growth within the category was evenly distributed among metaxalone, tizanidine, cyclobenzaprine, and carisoprodol. Skeletal muscle relaxants account for 9.5 percent of total prescription utilization increases.

Antidepressants

Antidepressants are the fifth most costly drug class, accounting for 7.5 percent of costs and 7.3 percent of all prescription transactions. The only medication in the class that showed significant increase in use in 2007 was Cymbalta. Cymbalta is one of the few medications approved by the FDA for use in the treatment of neuropathic pain as well as depression. Its use in the treatment of neuropathic pain is driving the increase. Cymbalta represents approximately 90 percent of all utilization increases within the antidepressant drug class and 7.7 percent of all prescription utilization increases.

Driven by the FDA's approval for dual treatment of depression and neuropathic pain, Cymbalta has gained favor among physicians, since both of these conditions are common in workers compensation and often coexist.

Dermatologics

Although the dermatologic class currently accounts for 5 percent of total drug costs, the majority of these costs are associated with a single medication — the lidocaine patch (Lidoderm). Lidoderm has experienced a 28 percent increase in utilization, and total costs have increased by 47 percent in the last 24 months. Lidoderm currently ranks second in total medication expense behind Oxycontin.

Sedatives/Hypnotics

The sedative/hypnotic therapeutic class has seen the most new agents introduced to the market in the last two years. Injured workers with chronic pain, especially those with the musculoskeletal injuries commonly found in the workers compensation sector, frequently require long-term use of a sedative to promote sleep. Although labeling of sedatives is generally for short-term therapy (less than 30 days), these agents are often prescribed continuously for months. The sedative/hypnotic class accounts for approximately 3.75 percent of total drug expenditures. The use of these sedatives in workers compensation will likely continue to grow due to heavy promotion of these medications to prescribers and patients.

Anti-Ulcer Drugs

Because of the high use of NSAIDs for acute and chronic workers compensation injuries and the increased awareness of the resulting dangers of gastrointestinal ulceration, antacid usage will continue to increase. In fact, the increase in utilization of antacids outpaced the growth of NSAIDs. This may reflect the addition of the antacids to previous users of NSAIDs. Total costs have been relatively stable over the last 12 months.

Anti-Anxiety Agents

Anti-anxiety medications are commonly used in workers compensation. These agents can be used to treat anxiety related to severe physical or emotional trauma. However, some are also effective as muscle relaxants. All anxiolytics are available as generic formulations. It is interesting to note that although there has been a 2 percent decrease in price, the utilization of this medication class has increased by nearly 11 percent, driven by more patients receiving anti-anxiety agents and by the continued use by those patients already receiving therapy.

Antipsychotics

Antipsychotic medications, although infrequently used, are the tenth ranked medication class in total expense. There has been some variation in the total number of transactions and the total cost of this drug class. Antipsychotics account for only 1.6 percent of the total medication expenses in workers compensation. The small variations in total transactions and costs are not significant to drug expenditures as a whole. Antipsychotics are used for adjunctive treatment of depression and other psychiatric symptoms that may accompany chronic pain in injured workers. The 7.57 percent increase in price of antipsychotics is attributed to the 5.5 percent increase

in prescriptions by those already receiving the medications, as opposed to the nearly flat (0.2 percent) change in the number of new patients receiving these medications.

Drug Class Utilization Summary Statistics

- Narcotic analgesics accounted for nearly 50 percent of the overall utilization growth, with a greater increase in the use of short-acting narcotics versus long-acting narcotics.
- New medications, such as Lyrica (anticonvulsant) and Cymbalta (antidepressant), commonly used in the treatment of neuropathic pain, combine for a 20 percent increase in utilization growth.
- Skeletal muscle relaxants account for close to 10 percent of the net increase in utilization.

MAKING DECISIONS

Every good decision is backed by solid data and insightful analysis. Armed with trends, analyses and benchmarking data, risk managers and executives can compare and evaluate their workers compensation programs and make informed business decisions to drive successful pharmacy benefit management outcomes.

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