

# The Journal of Workers Compensation

*A quarterly review of risk management and cost containment strategies*

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MAXIMIZING RETURN ON INVESTMENT  
INJURY PREVENTION PROGRAMS



WHAT DRIVES INCREASES IN PHARMACY SPENDING  
ANNUAL DRUG TRENDS REPORT



THE SAME OLD THING IS NOT THE RIGHT THING  
CONTINUAL IMPROVEMENT IN PROGRAM DESIGN



COST-EFFECTIVE VENDOR MANAGEMENT  
A THREE-STEP VENDOR REFERRAL PROCESS

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# PHARMACY SPENDING TRENDS AND IMPACTS: 2009 ANNUAL *DRUG TRENDS REPORT FOR WORKERS COMPENSATION*

MARIA SCIAME AND MATTHEW FOSTER

Over the last few years, the focus on the management of medications for injured workers has increased due to industry trends. Statistics show that medication spending continues to increase despite decreases in overall occupational injury rates each year from 2003 to 2007.<sup>1</sup> Recent estimates indicate that pharmacy accounts for approximately 14.2 percent of total medical costs.<sup>2</sup> More importantly, as a claim ages, pharmacy consumes an even greater percentage of medical costs — by year three post-injury, pharmacy spending represents 80 percent or more of total workers compensation medical spending.<sup>3</sup>

In an effort to provide insight and fact-based analysis regarding these issues, PMSI publishes its *Annual Drug Trends Report*.

The following data, taken from PMSI's 2009 *Annual Drug Trends Report*,

compares and evaluates pharmacy spending to determine where to focus the majority of mitigation efforts for optimal cost containment. Based on a data set of nearly 8 million transactions from 2006 – 2008, this report is one of the most extensive analyses of workers compensation pharmacy transactions available.

## THE TRENDS

When reviewing the growth of workers compensation medication costs, which increased by 5.4 percent in 2008, versus 3.3 percent in 2007, payors should be informed and aware of the factors affecting the cost of pharmacy, including both controllable and noncontrollable drivers. This report focuses on these drivers within the context of:

- **Price Trends** — Factors affecting average price, such as the impact of average wholesale price (AWP), new brand medications, new generic launches, the impact of OxyContin changes, and pharmacy benefit management (PBM) influences.
- **Utilization Trends** — Factors affecting utilization, such as age of injury, changes in prescribing patterns, and PBM programs.
- **Drug Usage Trends** — Changes among the top 10 therapeutic drug classes as related to price and utilization.

## METHODOLOGY

Based on data from 2006 – 2008, this year’s report focuses on the multiple factors affecting price and utilization within the context of PMSI, one of the nation’s largest workers compensation pharmacy benefit managers. The data set of nearly 8 million transactions allows the identification of insightful trends and provides in-depth analysis.

This year’s report analyzes all of PMSI’s in-network retail and mail-order pharmacy claims regardless of the size of the client and excludes out-of-network transactions due to the lag time and unpredictability of these claims.

## DEFINITIONS

The following definitions were used in the study:

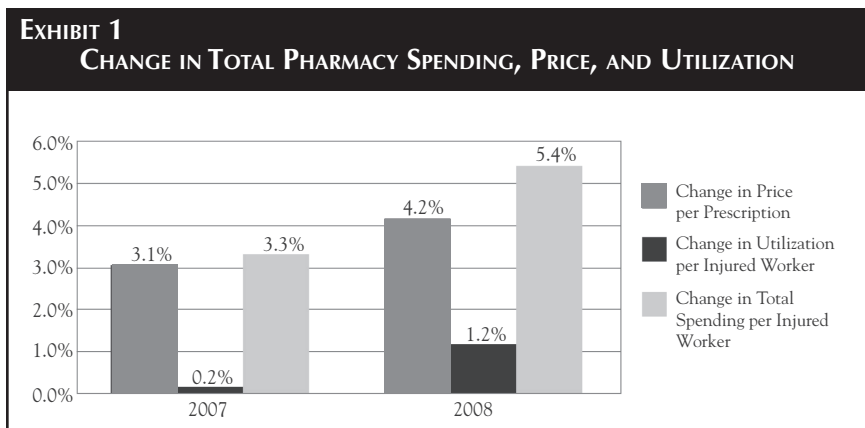
- **Price** is defined as the average cost per prescription as a weighted average of all prescriptions. By defining price in this way, all factors that influence the cost of a prescription are considered.

- **Utilization** is defined as the average number of prescriptions received by an injured worker per year.
- **Average Wholesale Price (AWP)** is the medication reference price defined by drug manufacturers or wholesalers. It is the basis for most state workers compensation fee schedules and payor/pharmacy contracts.
- **Controllable factors** are defined as influences on price or utilization that can be directly affected by PBM activity. These factors include formulary development and clinical pharmacy review programs to ensure appropriate medication utilization.
- **Noncontrollable factors** are those factors outside the direct influence of a PBM. For the purposes of this report, noncontrollable factors include AWP increases, brand medication introductions, generic medication launches, the age of the injury, and prescribing patterns.

While this report does not address the noncontrollable factors of third-party billers and regulatory issues such as direction of care, we recognize that these are industry challenges that impact spending trends.

### OVERALL SPENDING TRENDS

As Exhibit 1 illustrates, the workers compensation industry experienced a 5.4 percent growth in total pharmacy spending per injured worker in 2008. This increase takes into consideration both price and utilization changes. The impact of price was 4.2 percent and represented the majority of the increase



in spending, while utilization made a much smaller contribution.

Compared to 2007, the 2008 rate of increase in price, utilization, and total spending is higher. This can be attributed to the significant shift in the brand-to-generic drug mix resulting from the dwindling supply of generic OxyContin products, as well as the continued aging of claims. These issues are discussed further in the Price and Utilization Trends and Impacts sections of this report.

## PRICE TRENDS AND IMPACTS

### Noncontrollable Factors — Market Influences

In 2008, the average price of a workers compensation prescription increased by 4.2 percent. This was driven by both noncontrollable and controllable factors. The noncontrollable factors included:

- AWP increases, which were predominantly annual inflationary factors;

#### EXHIBIT 2

#### AWP INCREASE OF TOP 10 BRAND MEDICATIONS BY TOTAL SPENDING

Brand Name	Average Increase in AWP	% Total Spend
OxyContin	6%	6.8%
Lidoderm	3%	5.2%
Celebrex	11%	3.9%
Cymbalta	8%	2.7%
Skelaxin	7%	2.2%
Ambien CR	17%	1.3%
Lyrica	10%	4.2%
Nexium	7%	1.2%
Ultram ER	10%	1.1%
Lunesta	19%	0.9%

- new product introductions, such as new brand medications, which increased the average price of a prescription;
- new generic medication launches, which helped to reduce prescription price; and
- loss of generic products, such as OxyContin equivalents, which increased price.

**Impact of AWP on Prescription Price**

Historically, AWP has remained relatively constant for generic medications, while brand medications have typically demonstrated a 7 percent to 9 percent annual increase. The results for 2008 were consistent with this trend, with an AWP increase of 9.3 percent for brand medications and a negligible increase in generic AWP. Exhibit 2 illustrates the change in AWP for the top brand-name medications in workers compensation. Since brand-name medications account for 64.4 percent of total spending, the combination of brand and generic AWP changes resulted in an overall increase in price per prescription of 6.1 percent for 2008.

**Impact of New Brand Medications on Prescription Price**

In 2008, there were several brand medication releases in the overall market; however, only a few had an impact on the average prescription price and total medication spending in workers compensation (see Exhibit 3). These new medications contributed a modest 0.3 percent to the increase in price per prescription.

**Impact of New Generic Launches on Prescription Price**

Overall, the new generic products released in 2008 decreased the

<b>EXHIBIT 3</b>		
<b>NEW BRAND MEDICATIONS AFFECTING WORKERS COMPENSATION</b>		
<b>Medication</b>	<b>Drug Class</b>	<b>Date of Launch</b>
Flector	Non-steroidal anti-inflammatory (Dermatologic)	January 2008
Voltaren Gel	Non-steroidal anti-inflammatory (Dermatologic)	March 2008
Pristiq	Antidepressant	March 2008
Trexima	Migraine product	April 2008

**EXHIBIT 4**

**NEW GENERIC MEDICATIONS  
AFFECTING WORKERS COMPENSATION**

<b>Generic Name</b>	<b>Brand Name</b>	<b>Date of Launch</b>
Alendronate	Fosamax	February 2008
Bupropion SR 24HR	Wellbutrin XL	May 2008
Paroxetine CR	Paxil CR	May 2008
Ropinirole	Requip	May 2008
Dronabinol	Marinol	June 2008
Zaleplon	Sonata	June 2008
Risperidone	Risperdal	July 2008
Divalproex	Depakote	July 2008
Omeprazole	Prilosec	July 2008
Lamotrigine	Lamictal	July 2008

average price of a prescription by slightly less than 0.1 (see Exhibit 4). None of the new generics represented products in the top 50 medications by total spending, indicating low utilization in workers compensation. As a result, these new generics had no significant impact on total medication spending.

It is important to note that the AWP for generic formulations, as a whole, continued to be lower than the brand formulations. On average, new generic products have a 10 percent lower AWP than their brand counterparts, making their use integral to cost containment.

**Price Impact Associated With the Availability of OxyContin and Generic Formulations**

In late 2007, Purdue Pharma, the manufacturer of OxyContin, completed a settlement with generic manufacturers that resulted in a severe reduction in the availability of generic formulations of OxyContin (long-acting oxycodone). Beginning in early 2008, there was an increase in the total price

per prescription of long-acting oxycodone products directly attributed to an increase in the use of the brand-name product (see Exhibit 5). Because OxyContin and its generic formulations accounted for 9.3 percent of total drug costs, the net result was a 0.9 percent increase in the average price for a prescription. The price per prescription will continue to rise as utilization of lower-cost generic formulations are replaced with the higher-cost brand formulations. As of December 2008, the use of generic formulations of OxyContin was down to 17.1 percent versus 64.2 percent in early 2007.

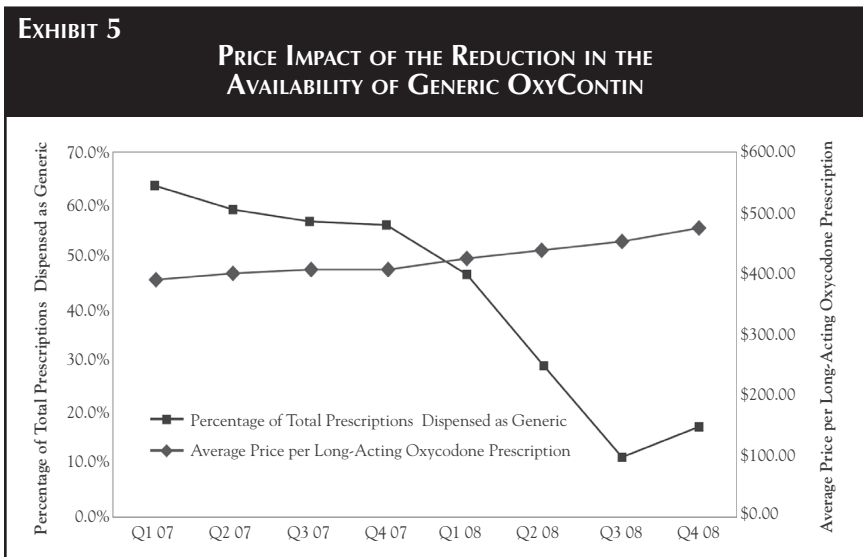
In addition, three new strengths of OxyContin were launched in 2008: 15 mg., 30 mg., and 60 mg. sustained-release tablets. This also contributed to the price impact associated with this medication, since these strengths were only available as brand formulations.

**Summary of Market Factors on Price per Prescription**

When all market factors are considered, the industry at large should have experienced a 7.2 percent increase in average price per prescription. This is driven by a 6.1 percent increase in price due to AWP factors, a 0.3 percent increase due to new brand medications, a 0.1 percent decrease due to new generic launches, and a 0.9 percent increase due to OxyContin factors. These factors are difficult for a PBM to control.

**Controllable Factors — PBM Influences**

A PBM can influence cost by holding down average price increases.



Payors realized these benefits when partnering with a PBM to:

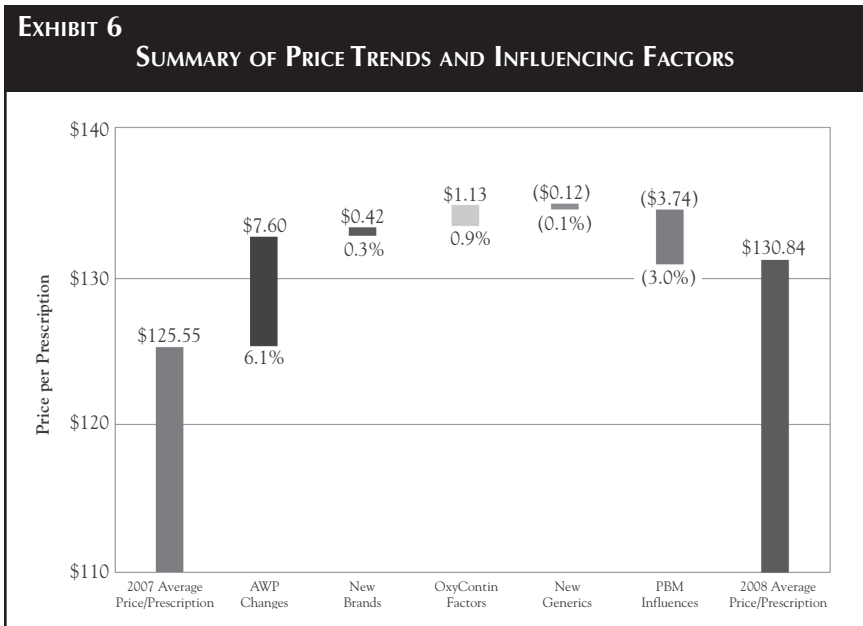
- drive greater network penetration;
- increase generic substitution; and
- broaden the use of mail-order pharmacy.

Exhibit 6 illustrates the net impact on price per prescription of the non-controllable factors: AWP changes, new brand medications, new generic launches, and OxyContin changes. It also demonstrates the ability of a PBM to exert significant influence over these factors through an effective pharmacy management program. For example, even though market factors resulted in a 7.2 percent net increase in price per prescription, PMSI clients realized a 4.2 percent increase — a decrease of 3 percent per prescription.

## UTILIZATION TRENDS AND IMPACTS

### Noncontrollable Factors — Injury and Physician Influences

In 2008, prescription utilization per injured worker increased by 1.2 percent. There are a number of factors that continue to influence prescription utilization in the workers compensation environment. As with



pricing, there are factors that are noncontrollable and controllable by a PBM. The noncontrollable factors include:

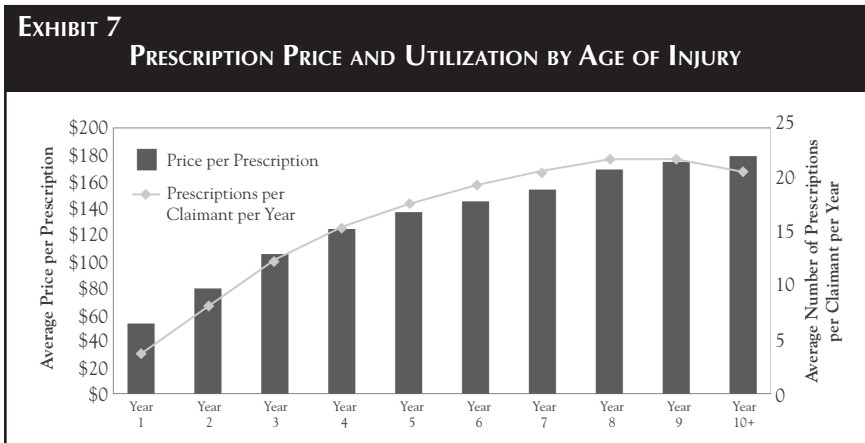
- age of the injury; and
- changes in prescribing patterns.

**Age of Injury Effect on Utilization**

One of the key factors that influenced utilization is the age of the injury. The average age of injury for the study increased from 4.7 years to 4.8 years between 2007 and 2008 — a difference of 1.3 percent. Exhibit 7 illustrates the relationship of age of injury to prescription use by injured workers. Injuries that do not respond to initial medication therapy require ongoing prescription use. This ongoing treatment is the aging of the injury. As the injury ages, there is an increase in the number of prescriptions taken per year, as well as an increase in price per prescription. The factors driving these increases include the use of higher doses of medications, a transition to more costly medications, and the addition of medications from multiple therapeutic classes. It appears that after the eighth year of injury, the increase in the number of prescriptions and the average prescription price begin to level off.

**Effect of Prescribing Pattern Changes on Utilization**

Physician prescribing patterns are influenced by several factors, including the entry of new medications on the market, new uses of existing medications, and evolving treatment guidelines. Each year, hundreds of clinical studies are published to evaluate the use of medications within their approved FDA indication as well as new uses for these medications. Medication use



outside of FDA-approved guidelines is referred to as off-label prescribing. As new medication uses are examined for validity and application to a general population, evidence-based guidelines are developed to support or refute the use of medications for these indications.

Workers compensation, with its heavy burden of chronic-pain conditions, has been greatly affected by evidence-based pain management guidelines that expand the use of some medications outside of their FDA-approved indications. For example, some guidelines recommend the use of anticonvulsant and antidepressant medications for the treatment of nerve pain associated with industrial injuries. As a result, anticonvulsant and antidepressant utilization continues to grow in workers compensation. In general, prescribing pattern alterations resulting from physician acceptance of new pain management guidelines has resulted in utilization increases for the workers compensation industry as a whole. Utilization changes for each drug class are addressed in the Drug Usage Trends section.

### **Controllable Factors — PBM Influences**

A high-quality PBM can manage the effect of noncontrollable factors on utilization by implementing programs to decrease inappropriate medication utilization. The programs reviewed in this report include:

- a workers compensation-specific formulary; and
- clinical pharmacy review programs to monitor medication use.

### **Formulary Effect on Utilization**

A formulary is implemented to control medication utilization by providing injured workers with access only to medications that are appropriate for the treatment of common workers compensation injuries. Medications outside of the formulary are not typical for the treatment of physical injuries or pain, or may not be associated with the progression of an injury. A medication outside the formulary requires some type of authorization to determine relatedness to the treatment of the compensable injury. A workers compensation-specific formulary can affect utilization by reducing inappropriate medication use.

### **Clinical Pharmacy Review Effect on Utilization**

Medications, especially those used to treat chronic pain associated with aging injuries, must be carefully monitored for appropriate utilization. Injured workers taking medications need to be monitored on an ongoing basis for medication-related problems. These issues include, but are not limited to:

- multiple prescribers;
- multiple pharmacies;
- duplicate therapy;
- over- or under-utilization of medications;
- drug-to-drug interactions; and
- suspicion of inappropriate medication-use behaviors.

PBMs have a unique opportunity to detect inappropriate medication use that may not be evident to the pharmacist or prescriber. Once problems are identified, it is appropriate to intervene with prescribers and other health-care professionals involved in the injured worker’s care to address these issues so that poor health outcomes and unnecessary costs can be avoided. Clinical pharmacy review programs can affect medication costs by detecting high-risk medication use in select claimants and through physician intervention. For example, the PMSI program studied reduced total medication costs for enrolled injured workers by an average of 18 percent and utilization by 51 percent.

**DRUG USAGE TRENDS**

In workers compensation, medication use is predominantly related to

<b>EXHIBIT 8</b>			
<b>TOP 5 DRUG CLASSES BY TOTAL SPENDING AND TRANSACTIONS</b>			
<b>Drug Class</b>	<b>Typical Drugs</b>	<b>% of Total Medication Spending</b>	<b>% of Total Transactions</b>
Narcotic analgesics	Vicodin, Percocet, OxyContin	34%	36%
Anticonvulsants	Lyrica, Neurontin	12%	9%
Non-steroidal anti-inflammatory drugs (NSAIDS)	Celebrex, Ibuprofen, Mobic	8%	11%
Skeletal muscle relaxants	Flexeril, Skelaxin, Soma	8%	10%
Antidepressants	Cymbalta, Zoloft, Effexor XR	8%	8%
<b>Total</b>		<b>70%</b>	<b>74%</b>

**EXHIBIT 9****TOP 20 MEDICATIONS BY SPENDING**

<b>Generic Name</b>	<b>Brand Name</b>	<b>2008 Rank</b>	<b>2007 Rank</b>	<b>% of Total Spending</b>	<b>Average Price per Rx (2008)</b>
Oxycodone HCl	Oxycontin	1	1	9.3%	\$314.39
Lidocaine	Lidoderm	2	2	5.2%	\$320.55
Hydrocodone-acetaminophen	Vicodin, Lortab	3	3	4.5%	\$39.62
Pregabalin	Lyrica	4	9	4.2%	\$172.00
Gabapentin	Neorontin	5	5	4.0%	\$183.76
Oxycodone-acetaminophen	Percocet	6	7	3.9%	\$106.37
Fentanyl	Duragesic	7	4	3.9%	\$416.24
Celecoxib	Celebrex	8	8	3.8%	\$178.43
Fentanyl citrate	Actiq, Fentora	9	6	3.5%	\$3,230.81
Duloxetine HCl	Cymbalta	10	14	2.7%	\$193.99
Zolpidem tartrate	Ambien, Ambien CR	11	10	2.7%	\$134.77
Tramadol HCl	Ultram, Ultram ER	12	12	2.5%	\$96.49
Metaxalone	Skelaxin	13	11	2.2%	\$225.10
Morphine sulfate	MS Contin, Kadian	14	13	2.2%	\$226.28
Cyclobenzaprine HCl	Flexeril, Amrix	15	15	1.8%	\$73.23
Topiramate	Topamax	16	19	1.6%	\$349.21
Tizanidine HCl	Zanaflex	17	17	1.6%	\$128.60
Meloxicam	Mobic	18	16	1.3%	\$431.85

*cont'd*

EXHIBIT 9 TOP 20 MEDICATIONS BY SPENDING (CONT'D)					
Oxymorphone HCl	Opana, Opana ER	19	35	1.3%	\$431.85
Carisoprodol	Soma	20	18	1.2%	\$66.63
<b>Total</b>				<b>63.4%</b>	

pain management. There has been essentially no movement in the top drug classes used in workers compensation over the past few years. Exhibit 8 illustrates that the top five drug classes represent over 70 percent of total drug spending and 74 percent of total transactions.

There has also been little change over the past several years in the specific medications used for the treatment of injured workers. The only notable new entry into the list of top 20 medications by total cost is Opana (oxymorphone), which entered the market in June 2006. Opana is a narcotic analgesic similar to oxycodone and is available in both short-acting and long-acting formulations. Also of note is the departure of Effexor XR (venlafaxine) from the top 20 list. This medication was replaced by Cymbalta, the main antidepressant used in workers compensation due to its FDA indication to treat nerve pain as well as depression (see Exhibit 9).

**Price and Utilization Trends by Drug Class**

When assessing price and utilization trends by drug class, the study analyzed each class based on the following criteria:

- **Price Change** — Change in price per prescription.
- **Utilization Change** — Change in number of prescriptions dispensed among all injured workers receiving prescriptions.
- **Injured Worker Change** — Change in number of injured workers receiving a medication.
- **Prescription Change** — Change in number of prescriptions per injured worker once therapy has started.

Exhibit 10 illustrates price and utilization changes for the top 10 drug classes used to treat workers compensation injuries. These classes represent over 87 percent of total drug spending and should be the focus of cost-containment efforts within workers compensation pharmacy programs.

**EXHIBIT 10****PRICE AND UTILIZATION CHANGES  
FOR TOP 10 DRUG CLASSES**

<b>Drug Class</b>	<b>Price Change</b>	<b>Utilization Change</b>	<b>Injured Worker Change*</b>	<b>Rx Change**</b>
Narcotic analgesics	3.4%	1.2%	0.7%	0.5%
Anticonvulsants	3.3%	4.8%	4.9%	-0.1%
Non-steroidal anti-inflammatory drugs (NSAIDS)	1.9%	-2.5%	-0.8%	-1.8%
Skeletal muscle relaxants	6.6%	0.9%	2.8%	-1.8%
Antidepressants	6.0%	-3.7%	-2.5%	-1.2%
Dermatologics	0.1%	17.8%	23.1%	-4.3%
Hypnotics/Sedatives	5.0%	-2.8%	-3.3%	0.5%
Anti-ulcer	2.4%	-3.0%	0.8%	-3.8%
Anti-anxiety	-1.9%	1.8%	4.3%	-2.4%
Antipsychotics	10.1%	5.1%	5.0%	0.1%

\*Change in number of injured workers that take medication in the drug class.

\*\*Change in number of prescriptions per injured worker.

**Narcotic Analgesics**

Narcotic analgesics are the most commonly used medications in workers compensation due to their use for the treatment of mild, moderate, or severe pain. As expected, the cost of narcotic analgesics continued to be the main driver of total medication spending in workers compensation. This class had a price-per-prescription increase of 3.4 percent, most of which can be directly attributed to the previously noted OxyContin price impact. There was also an increase of 1.2 percent in utilization driven by the increase in use of short-acting narcotics.

The short-acting narcotics, especially the oxycodone-acetaminophen products, had the greatest increase in utilization. Oxycodone-acetaminophen (Percocet) products had an overall 9 percent increase in utilization driven by more injured workers receiving this drug combination.

The long-acting patch formulations of fentanyl (Duragesic) experienced an overall decrease in utilization of 5.3 percent. This may be partially due to issues with defective patches leading to several recalls affecting the availability of these products starting in early 2008. The generic manufacturer Actavis appeared to be most affected by these recalls. The lack of a consistent source for fentanyl patches may have driven some chronic-pain patients to other long-acting opioid products.

As previously noted, oxycodone (Opana, Opana ER) made significant progress in securing a place in acute and chronic pain management with an 89 percent increase in utilization primarily driven by more injured workers using the oxycodone products.

Tramadol products increased in utilization by 7.3 percent, as both the regular release (Ultram) and extended release (Ultram ER) formulations continued the increase in utilization experienced in 2007. Increases of 20 percent or more were seen in utilization, specifically in the number of injured workers receiving therapy. Overall, the increase in utilization of the more expensive Ultram ER product drove a 3.9 percent increase in the average price per prescription for all tramadol products.

The oral fentanyl products, Actiq and Fentora, had an overall decrease in utilization of 17 percent due to fewer injured workers receiving these products. However, the average price per prescription increased by 11.1 percent due to continued price increases. Injured workers receiving this high-profile, high-cost narcotic seem to be using more prescriptions per injured worker. These products accounted for 0.1 percent of total prescription transactions and 3.5 percent of total medication costs.

### **Anticonvulsants**

While anticonvulsants are commonly used in workers compensation for the treatment of seizure disorders associated with head injuries, they are used primarily for the treatment of nerve pain. Findings revealed a 3.3 percent increase in the price per prescription for anticonvulsants and a 4.8 percent increase in utilization. Approximately 17 percent of all injured workers received anticonvulsant therapy in 2008.

Pregabalin (Lyrica) continued to increase its anticonvulsant market share as it replaced gabapentin (Neurontin) as the first-line therapy in the treatment of chronic nerve pain. Pregabalin had a 15 percent increase in utilization, while gabapentin had a 1 percent decrease in utilization. Lyrica has had three AWP increases in 2007 through 2008, and a fourth that took effect the first week of 2009.

Lamotrigine (Lamictal) utilization increased by 14.6 percent, but its

use accounted for only 0.2 percent of all transactions. The introduction of a generic formulation in 2008 may help curb the future impact on total spending associated with increased utilization of this medication.

### **Nonsteroidal Anti-inflammatory Drugs (NSAIDs)**

Anti-inflammatory drugs are commonly used for treatment of mild to moderate pain and inflammation. These medications are considered the first-line treatment for pain. There was a 1.9 percent increase in price per anti-inflammatory prescription in 2008, driven primarily by AWP increases for celecoxib (Celebrex). Overall, there was a decrease in utilization of 2.5 percent attributed to less use of NSAIDs and more use of short-acting narcotics.

The NSAID class ranks third in total medication costs, but is still second in the percentage of injured workers receiving therapy due to the common short-term use of these medications for the treatment of acute injuries. During 2008, 41 percent of injured workers received NSAID therapy, which is similar to 2007. This indicates a leveling off from the steady decline in NSAID use experienced over the last few years. Celecoxib (Celebrex) and diclofenac-misoprostol (Arthrotec), the remaining brand-name oral NSAIDs, experienced an overall decrease in utilization of 6.1 percent and 12.7 percent, respectively, but experienced a 10 percent increase in cost per prescription, due mainly to AWP increases.

### **Skeletal Muscle Relaxants**

Skeletal muscle relaxants are used for the treatment of muscle sprains and spasms associated with physical injuries. There was a 6.6 percent increase in price per prescription of skeletal muscle relaxants in 2008, driven primarily by AWP changes for brand-name formulations of metaxalone (Skelaxin), carisoprodol (Soma), and cyclobenzaprine ER (Amrix). Utilization did not change significantly, with only a 0.9 percent increase.

The price per prescription of the new dose formulation of Soma and the extended-release cyclobenzaprine formulation, Amrix, are exceedingly high. Amrix prescriptions are nearly four times as expensive as the nonextended release version of this medication. Soma 250 mg. is aggressively marketed to physicians as a safer alternative to the generically available 350 mg. doses; however, this has yet to be supported in clinical studies. The long-term use of these products is still strongly discouraged due to issues surrounding physical dependence and lack of long-term effectiveness.

### **Antidepressants**

Antidepressants are commonly used in workers compensation not only for the treatment of depression, which can be associated with chronic pain, but also for the treatment of nerve pain. There was a 6 percent increase in the average price per prescription for antidepressants, driven primarily by AWP changes as well as the increased utilization of the more expensive duloxetine (Cymbalta). Antidepressant utilization dropped 3.7 percent as a class, which can be attributed to the decreased use of older antidepressants in favor of Cymbalta.

Utilization of duloxetine (Cymbalta) increased by 13.9 percent, confirming its domination of the antidepressant drug class in workers compensation. Nearly every other antidepressant experienced decreases in utilization in 2008, including decreases in venlafaxine XR (Effexor XR): -10.4 percent, escitalopram (Lexapro): -4.8 percent, and sertraline (Zoloft): -13.4 percent. Of note is that Cymbalta was ranked 10th in total drug costs and 14th in total transactions in 2008 — the first time an antidepressant has been listed among the top 10 medications by cost.

### **Dermatologics**

The dermatologic drug class includes all medications applied to the skin, but utilization in workers compensation is mainly driven by dermatological agents used to treat pain associated with physical injuries. There was a 0.1 percent increase in the price per prescription and a 17.8 percent increase in utilization. This increase may be related to the use of dermatologics as a non-narcotic option for the treatment of pain and perceived advantages regarding their safety profile compared to oral medications. The utilization increase was driven entirely by more injured workers using lidocaine (Lidoderm) patches and topical diclofenac products (Voltaren Gel and Flector).

Lidoderm, ranked second by total medication costs in workers compensation, had a slight increase in utilization of 3.3 percent. Voltaren Gel was ranked 133rd in total expenses, as it is used less frequently than the Flector transdermal patch. Flector, which entered the market in January 2008, ended the year ranked 33rd in total medication costs. It appears that Flector was typically prescribed for short-term use, as 81 percent of injured workers received only one or two prescriptions for this medication.

### **Hypnotics/Sedatives**

Hypnotics/sedatives are commonly used in workers compensation

injuries to treat insomnia related to acute and chronic pain. There was a 5 percent increase in price per prescription, with a 2.8 percent decrease in utilization. The price increase was driven by AWP changes for eszopiclone (Lunesta) and zolpidem CR (Ambien CR) of 17 percent to 19 percent. Lunesta had the greatest change in utilization, with an 11.6 percent decrease in the number of injured workers receiving the sedative.

### **Anti-ulcer**

Anti-ulcer medications are typically used to treat or prevent stomach and other gastrointestinal complications associated with NSAID use, as opposed to direct treatment of an injury. Anti-ulcer drugs experienced a 2.4 percent increase in price, driven by AWP changes for the brand-name formulations. Overall utilization dropped 3 percent, which correlated closely with the 2.5 percent decrease in utilization of NSAIDs.

### **Anti-anxiety**

Anti-anxiety medications are used in workers compensation for the treatment of anxiety associated with pain. Selected agents are also prescribed for the treatment of muscle spasms. Anti-anxiety medications had a 1.9 percent decrease in price, while experiencing a 1.8 percent increase in utilization. The utilization increase was primarily driven by more injured workers receiving these medications. Overall, these changes had a negligible impact on total drug spending and most likely reflect the use of less expensive starting doses of these medications.

### **Antipsychotics**

Antipsychotics are commonly used as adjunctive therapy for some types of depression and as mood stabilizers. In workers compensation, they are also used for the treatment of nerve pain. Antipsychotic medications had a 10.1 percent increase in price, as well as a 5 percent increase in utilization. The increased price was mainly due to AWP changes of the commonly used brand-name medications within this class. However, the increase in utilization was due to the increased use of these drugs for the adjunctive treatment of nerve pain.

As a class, antipsychotics were ranked 10th in total drug costs (1.7 percent) but 21st in total prescription transactions. Quetiapine (Seroquel) experienced an increased cost of 10.7 percent and increased utilization of 8.8 percent. Aripiprazole (Abilify) had large increases in utilization of 22.5 percent but, overall, was responsible for less than 0.1 percent of total transactions.

## SUMMARY

Armed with this report, payors should evaluate and compare their pharmacy program to industry trends. This insight, along with an understanding of factors driving drug price and utilization, should allow managers to make sound business decisions in determining where to focus program efforts for optimal cost containment and risk mitigation.

Given the complexity of workers compensation pharmacy claims, payors should look to partner with a PBM that is tailored to the specific nuances of the workers compensation market. An effective PBM will work with the payor to identify opportunities to improve network penetration, increase generic substitution, maximize mail-order utilization and engage clinical utilization management programs. Maximizing these opportunities will not only reduce expenses, but also improve care for injured workers.

## ENDNOTES

1. Bureau of Labor Statistics — [www.bls.gov](http://www.bls.gov).
2. NCCI Workers Compensation Prescription Drug Study — 2008 Update, available at [www.ncci.com](http://www.ncci.com).
3. PMSI 2008 Annual Drug Trends Report.

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