

2016 Drug Trends Series

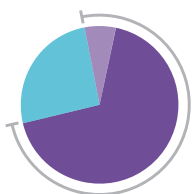
Part 2: Addressing the managed vs.
unmanaged prescription view



Introduction

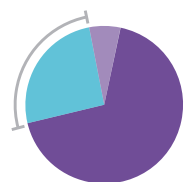
As with [part one of Coventry's 2016 Drug Trends Series](#), our analysis is based on all calendar-year transactions billed through our Pharmacy Benefit Management (PBM) program, First Script, as well as transactions from medical bill review to reflect the total pharmacy experience for our client base.

This second installment of our series is focused on the managed and unmanaged views. The managed data takes the traditional view (retail + mail order) and adds prescriptions from our extended network. The unmanaged data represents the out-of-network prescriptions that are received and processed through medical bill review.



The Managed View

The managed view includes retail, mail order, and extended-network data that represent 74.3% of all prescriptions and 77.7% of the total paid amounts. This view provides a more accurate portrayal of managed pharmacy trends due to the additional prescription data that is captured through our extended network. This network is comprised of direct contracts with non-traditional pharmacy billing sources such as physician dispensers and clinics. The extended network accounts for 6.4% of all transactions and 7.7% of all paid amounts.



The Unmanaged View

This view includes out-of-network prescription data captured through medical bill review equating to 25.7% of total pharmacy transactions and 22.3% of total allowed amounts. This view provides insightful information about the cost and utilization trends for prescriptions dispensed and billed out-of-network. This information is not typically included within traditional industry drug trend reports.

Highlights



Contrasting claim demographics, such as claim age and injury type, drive differential market trends for the managed and unmanaged groups.



Generic utilization continues to trend positively, increasing by at least 1% pt. for both prescription populations (managed 85.7%, unmanaged 81.8%).



The usage of generics, when available, is consistently high for the managed population at 97%, and continues to improve for the unmanaged population (+1% pt. to 95.7%).



Opioid utilization continues to decrease in both groups, declining 1.1% pt. for managed (30.1%) and 2.1% pts. for unmanaged (13.5%).



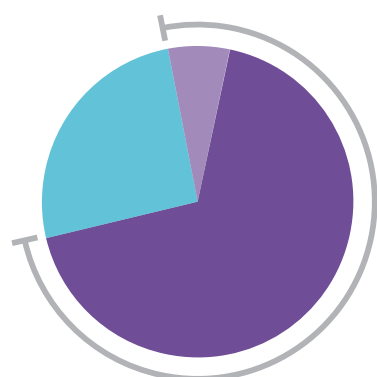
Specific non-opioid drug classes, such as NSAIDs (nonsteroidal anti-inflammatory drugs) and anticonvulsants for the managed group, and NSAIDs, muscle relaxants, and non-opioid analgesics for the unmanaged group, continue to rise with the decline in opioid use.



Compounds, while remaining among the top ten in drug costs, have declined in utilization across both population groups, accounting for 0.4% of managed scripts (0.6% in 2015), and 4.2% of unmanaged scripts (4.6% in 2015).

Aggregate Pharmacy Trends by Network Type

Managed = Retail + Mail Order + Extended Networks*



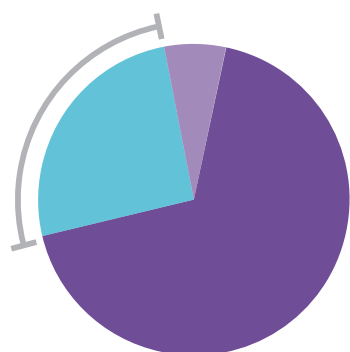
74.3% of Total Prescriptions in 2016

- Traditional, 67.9%
- Extended Networks, 6.4%

77.7% of Total Pharmacy Cost in 2016

- Traditional, 70.1%
- Extended Networks, 7.7%

Unmanaged = Out-of-Network Prescriptions

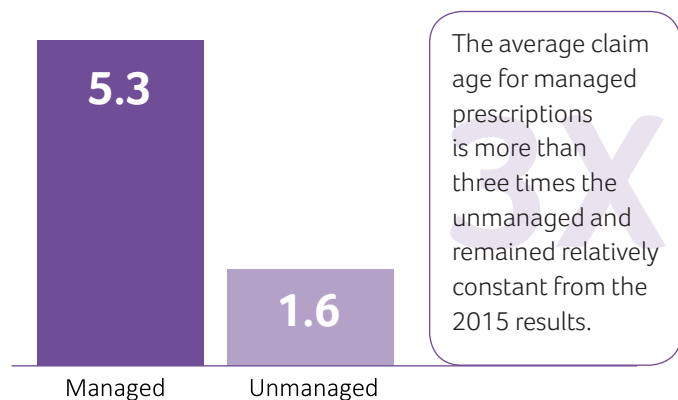


25.7% of Total Prescriptions in 2016

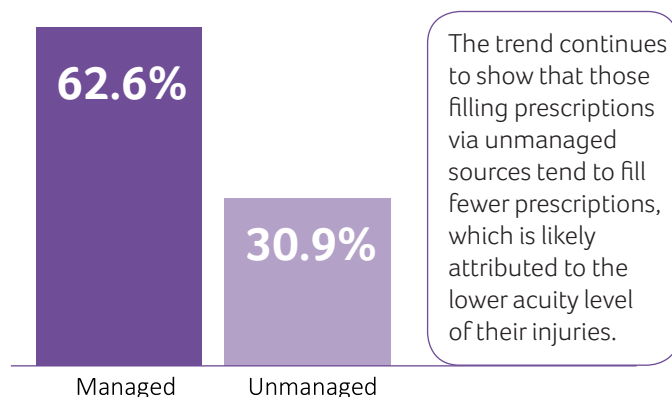
22.3% of Total Pharmacy Cost in 2016

Population Differences

2016 Average Claim Age (Years)



2016 Claims with More than One Fill



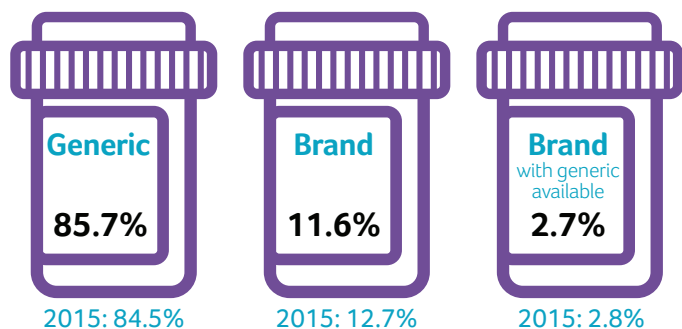
*The numbers reflected in this and other charts throughout this report may not add up to 100% due to rounding.

Brand and Generic Trends

Utilization and cost of brand-name drugs declined across the board from 2015.

2016 Utilization

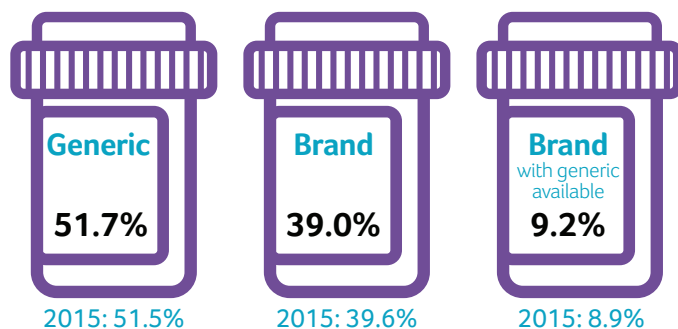
Managed



- The generic for Voltaren® Gel 1% (diclofenac), a topical NSAID, was a key contributor in generic utilization increase

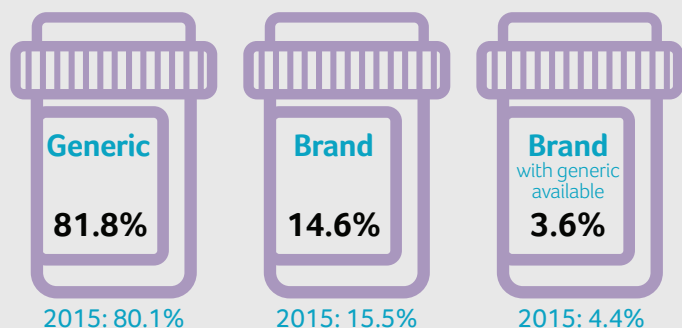
2016 Cost

Managed



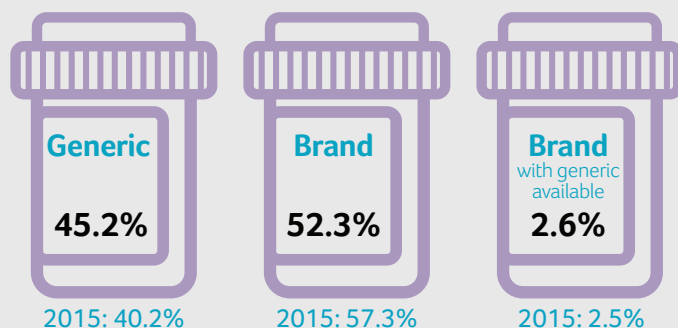
- Cost trends were relatively flat in the managed prescription population

Unmanaged



- Generic NSAIDs are a first-line treatment for the less-severe injuries that are typical of the unmanaged population; generic NSAID adoption continues to drive decreases in brand utilization

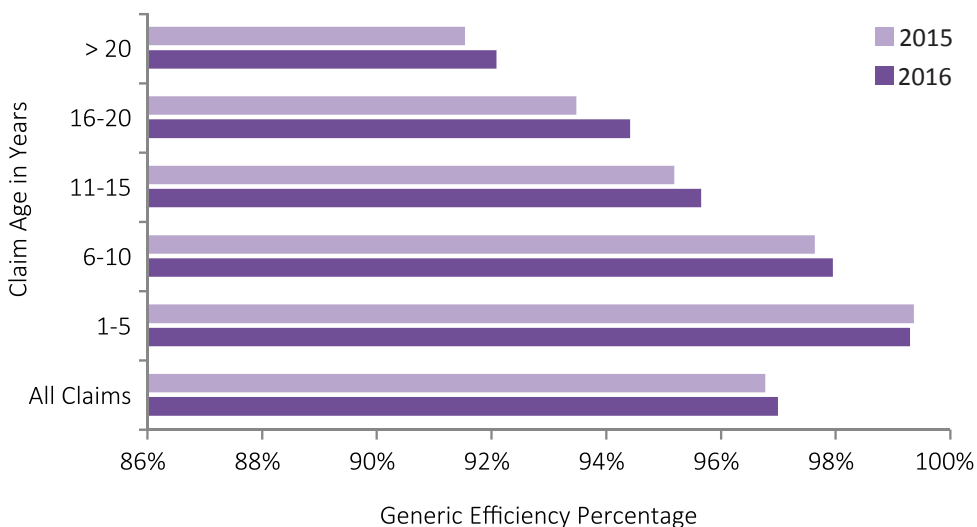
Unmanaged



- Increased use of dermatological/topical medications helped drive generic drug costs up 5% pts. in the unmanaged population

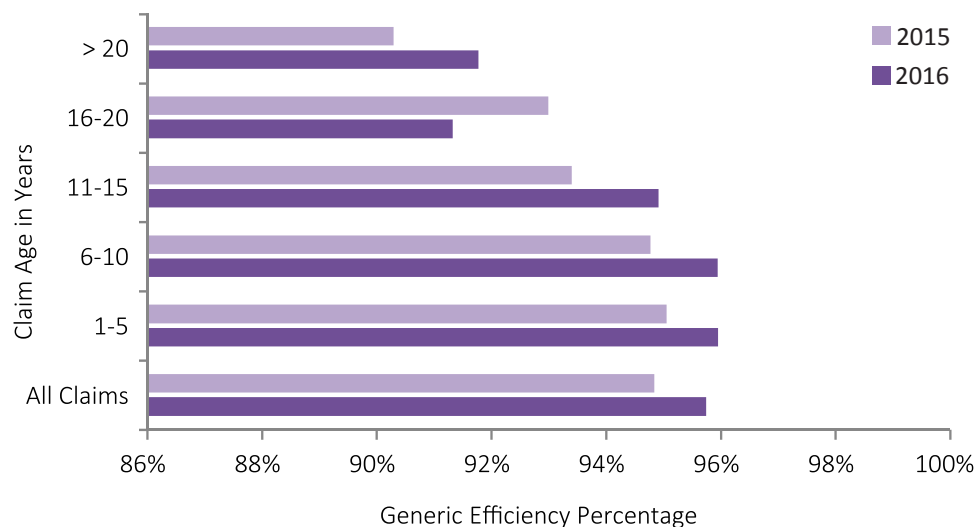
Generic Efficiency

Generic Efficiency by Claim Age – Managed Prescriptions



Generic efficiency remained strong for the managed population at **97%** with claims aged 16-20 years experiencing the greatest improvement

Generic Efficiency by Claim Age – Unmanaged Prescriptions



Generic efficiency for the unmanaged population increased **1% pt.** to 95.7%

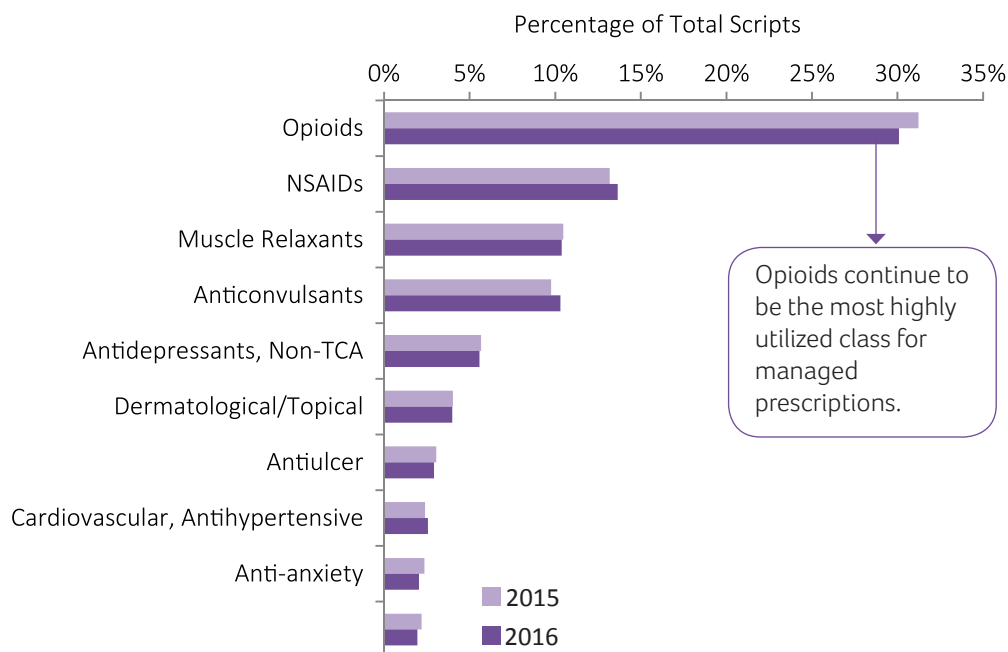
Actual number of prescriptions filled as generics

Total number that could be filled as generics

= Generic Efficiency (GE)

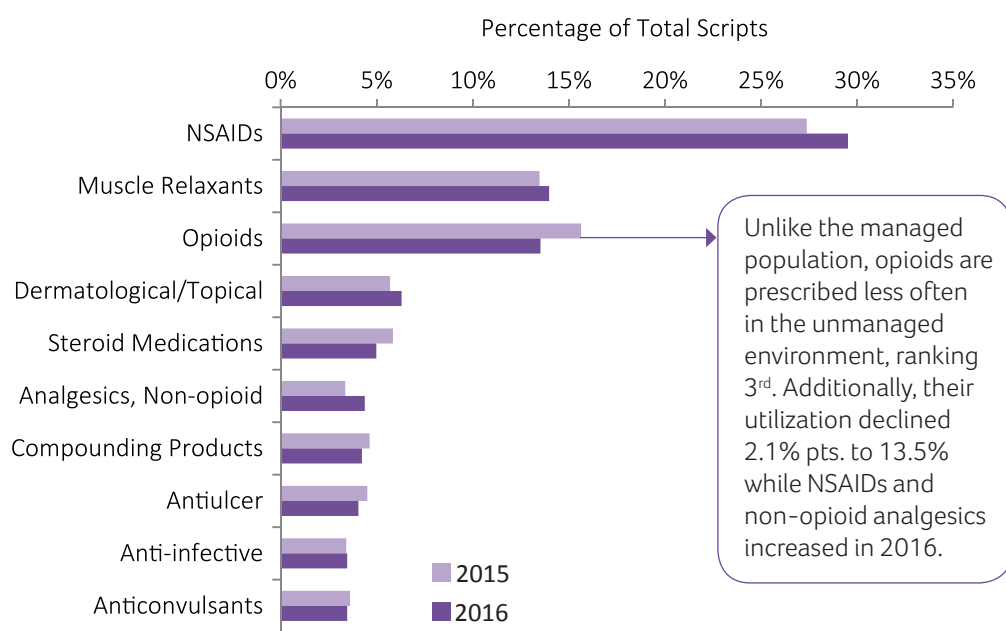
Top Therapeutic Classes by Utilization

Top Therapeutic Classes by Utilization – Managed Prescriptions



The top 10 classes represent
83.4%
of managed prescriptions

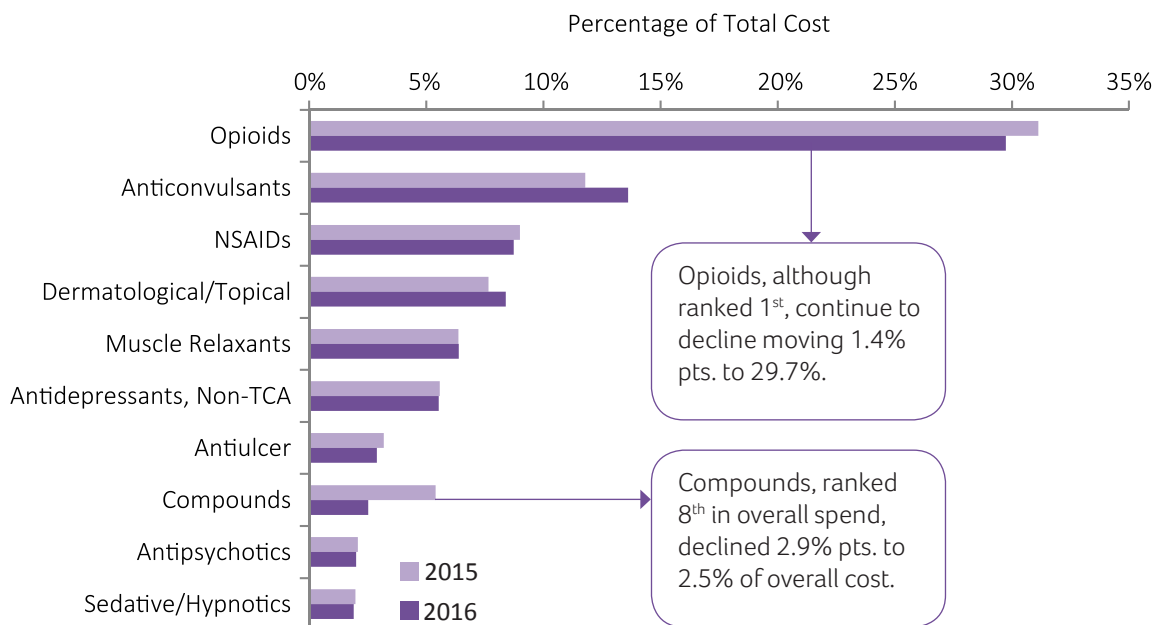
Top Therapeutic Classes by Utilization – Unmanaged Prescriptions



The top 10 classes represent
87.9%
of unmanaged prescriptions

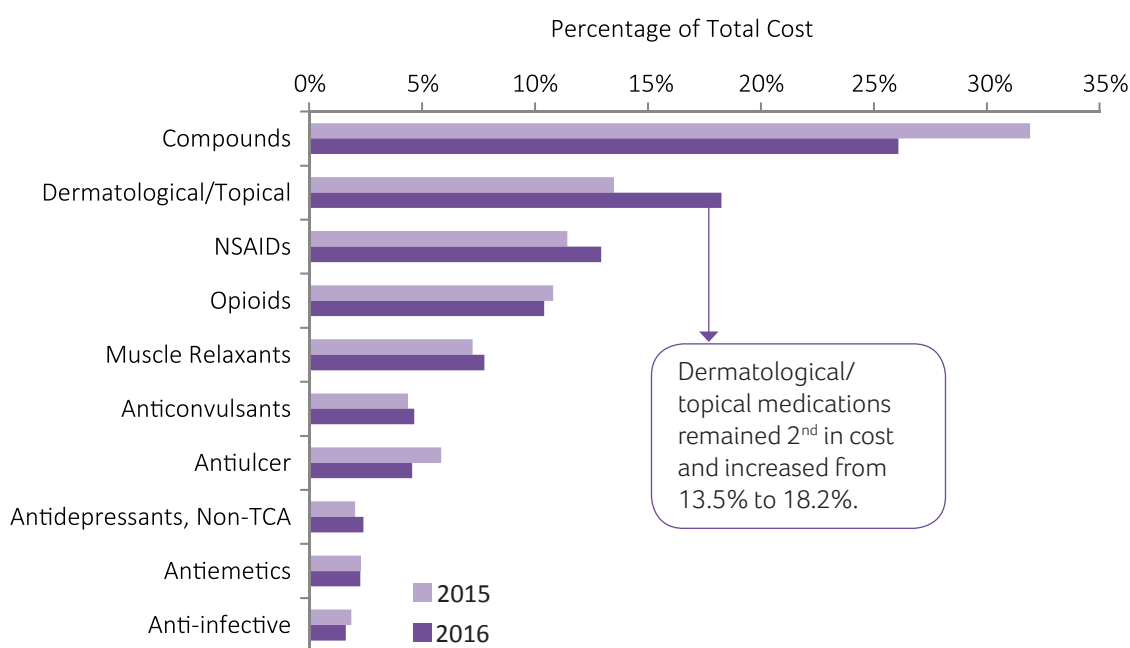
Top Therapeutic Classes by Cost

Top Therapeutic Classes – Managed Prescriptions



Anticonvulsants increased 1.8% pts. to 13.6% of all costs – primarily due to Lyrica[®] which ranked 9th for utilization and 1st for cost

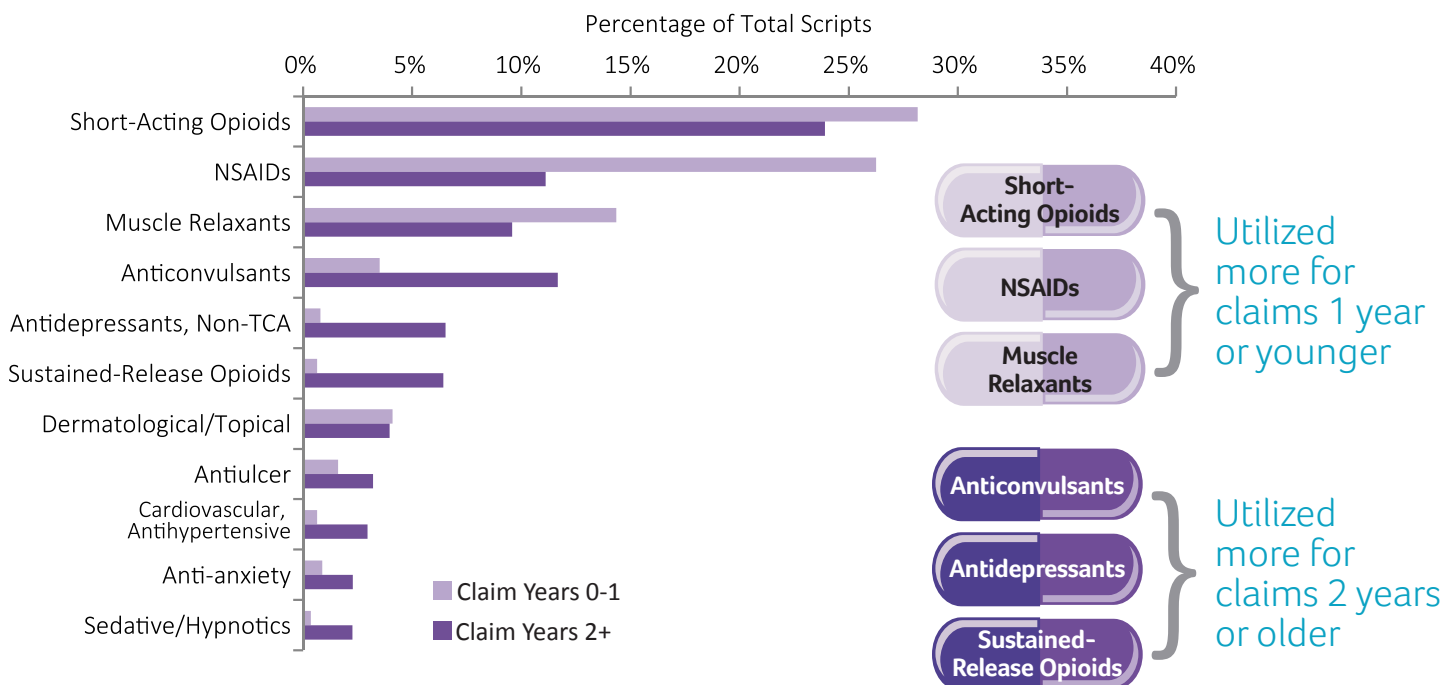
Top Therapeutic Classes – Unmanaged Prescriptions



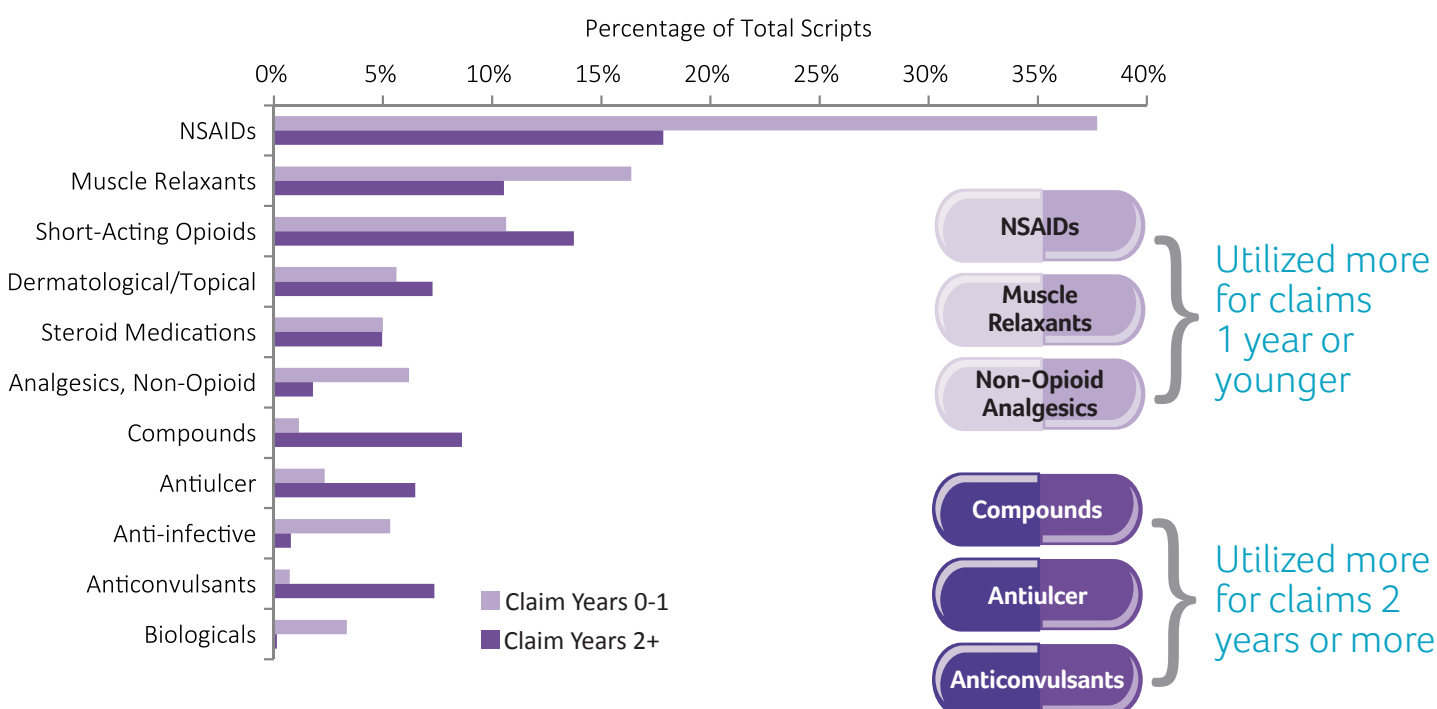
Compound costs declined 5.8% pts. to 26.1% though they still ranked 1st for cost

Utilization by Claim Age

Top Classes 2016 – Managed Prescriptions



Top Classes 2016 – Unmanaged Prescriptions



Conclusion & Recommendations

The managed and unmanaged views highlighted in this installment of our *2016 Drug Trends Series* illustrate that having knowledge about prescriptions prior to dispensing can lead to significant improvements in clinical and cost outcomes. Gaining insight into the different claim characteristics that comprise these populations can help guide decision-making and allow for preemptive measures to address common challenges that may arise within each group.

- Working with First Script or your Pharmacy Benefit Manager to identify opportunities based on the data associated with the various injured worker populations can allow for the greatest impact on outcomes. For example, greater usage of short-acting opioids for claims one year or younger within the managed population reveals an opportunity to deploy early opioid intervention and education efforts to curb long-term issues.
- Generic efficiency can be strengthened by directing more scripts in-network for access to greater controls, such as formulary enforcement.
- Compounds and dermatological/topical agents continue to present a significant cost challenge, particularly within the unmanaged population. Identifying and funneling these types of fills through the PBM can ensure the proper cost and utilization controls are applied pre-dispense. Leveraging clinical and contracting resources to guide approval and denial decisions when post-dispense pharmaceutical payments are requested will also increase appropriateness of spend and utilization in the unmanaged space.
- The continued positive shift away from the use of opioids in favor of using alternative medications such as NSAIDs, anticonvulsants, and muscle relaxers to manage pain is a testament to the collaboration between First Script and our payors.



In our next installment of the *Drug Trends Series*, we will take a deeper dive into opioids and compounds.



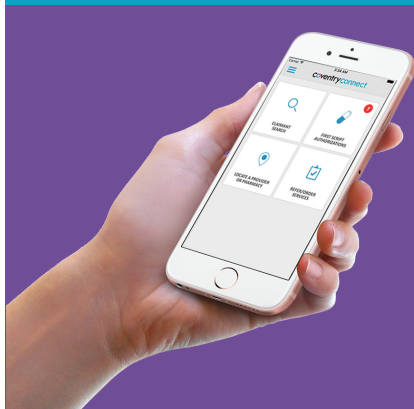
First Script is the Pharmacy Benefit and Drug Utilization Management Program offered as part of the Coventry suite of products. First Script offers an end-to-end program designed specifically for workers' compensation. We realize that getting 100% of the prescriptions into the network isn't the end game; it's what you do with those scripts that matters. Early triage of each injured worker ensures that injured workers know how and where to get a prescription filled, and permits us to intervene aggressively on potentially problematic opioid utilization at the earliest point possible. Through integration with our bill review and case management programs, we are positioned to capture all prescription activity for utilization and total pharmacy risk management, ensuring that we manage not only the First Script, but Every Script.



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