2016 Drug Trends Series

Part 1: Evaluating the traditional retail and mail-order prescription view
Introduction

The 2016 Drug Trends Series is based on all calendar year transactions billed through Coventry’s PBM Program, First Script, as well as transactions from medical bill review to reflect the total pharmacy experience for our client base.

This year we are continuing to present data for traditional, managed, and unmanaged views; however, we will share the information in shorter, more-condensed pieces delivered every few weeks vs. one large manuscript.

This first piece in our series focuses on the traditional view and is intended to be a benchmark to traditional industry reports as well as First Script’s historical reporting.

Highlights

The traditional view, including First Script retail and mail-order prescriptions only, represented 67.9% of the total pharmacy transactions and 70.1% of paid amounts

- Overall prescription cost per claim decreased 5.8% between 2015 and 2016
- Average Wholesale Price (AWP) trended up 5.9% overall in 2016
- Opioids continue to trend favorably with an 8.5% drop in utilization and a 9.9% decline in cost per claim
- Average Morphine Equivalent Dose (MED) per script decreased 5.6%
- Compound drug costs per claim declined 55%
Traditional View — Key Trends

The Traditional View
This view includes First Script retail and mail-order prescription data and accounts for 67.9% of the total pharmacy transactions and 70.1% of the paid amounts. This view is meant to be a benchmark to traditional industry reports as well as First Script’s historical reporting. Non-traditional channels can include physician dispensing, repackaging, third-party billers, compounding and specialty pharmacies.

Cost and Utilization Trend Changes (2015 to 2016)

Overall prescription cost per claim decreased 5.8% between 2015 and 2016.

- Opioids: -1.6%, -1.9%
- Top 10 Classes: -0.5%, -8.5%
- All Classes: -6.7%, -8.4%
- Cost per Claim: -9.9%, -8.4%

8 of the top 10 therapeutic classes cost less in 2016

Compound costs fell following decreases in both cost per script (21%) and utilization (43%)

Anticonvulsants* cost per claim rose 6.8% due to an increased cost per script

*Both brand and generic
Average Wholesale Price (AWP) Trends

2016 Brand/Generic AWP Increases

- **Brand**: 13.4%
- **Generics**: 0.8%
- **Overall**: 5.9%

AWP increased 5.9% overall in 2016 primarily due to a 13.4% increase in brand AWP.

Lyrica® increased 13.7%
- The most utilized anticonvulsant brand medication

Short-acting opioids experienced a 20.7% increase in brand AWP
- Driven primarily by increases in Percocet® (28.3%), Nucynta® (24.3%), and Subsys® (24.2%)

NSAIDs experienced a 21.4% increase in brand AWP
- Driven primarily by increases in Duexis® (26.4%) and Vimovo® (23.8%), both medications that combine NSAIDs and anti-ulcer medication

2016 Brand AWP Increases
Top Therapeutic Classes by Brand Costs

- **Sustained-Release Opioids**: 11.0%
- **Anticonvulsants**: 14.1%
- **Short-Acting Opioids**: 20.7%
- **Dermatological/Topical**: 17.4%
- **NSAIDs**: 21.4%
- **Antidepressants, Non-TCA**: 14.6%
- **Muscle Relaxants**: 13.1%
Morphine Equivalent Dose (MED)

Percentage of Opioid Scripts with 100+ MED

Average daily MED per script improved, falling

1.5% from 2015

Scripts with MED greater than 100 continued to decline – dropping nearly triple the rate of the 2015 decrease

Percentage of Opioid Scripts with 100+ MED by Age of Claim

Claims of every duration experienced a drop in MED, with 7 of the 10 years declining

1.5% or more from 2015

Key influencers to the year-over-year decline in MED

- Early intervention & outreach programs to prescribers & patients
- Data-driven product development strategy aimed at reducing opioid utilization
- Better collaboration between First Script and payors in addressing opioid issues
- Adoption of state-based closed formularies and medical guidelines
- Education initiatives for physicians, injured workers, & adjusters
Brand and Generic Trends

2016 Utilization

- Generic: 85.6% (2016: 84.4%), 2015: 84.4%
- Brand: 11.6% (2016: 12.7%), 2015: 12.7%
- Brand with generic available: 2.7% (2016: 2.9%), 2015: 2.9%

In 2016, the generic fill rate rose 1.2% points to 85.6%.

2016 Cost

- Generic: 51.1% (2016: 51.0%), 2015: 51.0%
- Brand: 39.3% (2016: 39.7%), 2015: 39.7%
- Brand with generic available: 9.6% (2016: 9.2%), 2015: 9.2%

The generic efficiency rate* remained steady at 96.9%.

Generic utilization increased slightly while generic spend remained constant.

*Generic efficiency is the total number of generic prescriptions divided by the total number of prescriptions where a generic drug was available.
Conclusion & Recommendations

While it is encouraging to see the continued decline of pharmaceutical utilization within the traditional view, opportunities for enhancing care while optimizing cost still exist. The traditional space, highlighted in this first edition of our 2016 Drug Trends Series, represents the area of pharmacy exposure where the Pharmacy Benefit Management (PBM) program can have the greatest clinical and cost impact due to knowledge of the prescriptions prior to dispensing.

- It is critical to work continuously to ensure the maximum number of prescriptions are guided into the PBM, taking advantage of the many checks and balances otherwise not possible after a prescription is filled.

- Targeting high-cost medications and ensuring that first-line evidence-based therapies are deployed prior to prescribing more complex or costly drugs is essential. Proper formulary enforcement and identification of therapeutic alternative opportunities can help to further these efforts.

- Opioid trends continue to move in a positive direction, specifically prescriptions with MED >100 decreasing year-over-year. In addition to proactive prescription management, we believe there is benefit being derived from the focused attention by the government, the media, and the general public that supports this positive trend.

- We encourage payors to remain vigilant and continue to push for reform on a state and national level.

- Improved collaboration between the payors and their PBM partners is essential in improving overall outcomes to continue the trend of injured worker health and safety.

In our next installment of the Drug Trends Series, we will share the managed and unmanaged views.
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.

Coventry is the leading provider of care and cost management solutions for workers' comp, disability and auto insurance carriers, third-party administrators, and self-insured employers. We design best-in-class products and services to help our partners return injured workers to work, to play, and to life as quickly and as cost effectively as possible. We accomplish this by developing and maintaining consultative partnerships with our clients and stakeholders, built on a foundation of trust that supports the claims management process.

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Coventry Connect technology works with Coventry’s integrated suite of solutions to help adjusters and case managers make informed decisions that lead to better outcomes.