

firstscriptSM

2017

Drug Trends Series

Part 2

Assessing Managed vs. Unmanaged Utilization

coventrySM
returning people
to work, to play, to life

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Introduction

As with part one of Coventry's 2017 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 comparing 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 represents 72.6% of all prescriptions and 77.9% of the total cost for 2017. This view provides a more accurate portrayal of managed pharmacy trends due to the additional prescription data that is captured through our extended network. The extended network accounts for 5.8% of all prescriptions and 7.4% of total cost. Keep in mind the figures above are meant to show trends and do not represent exact penetration numbers intended for benchmarking due to the significant differences in methodologies used within the industry.

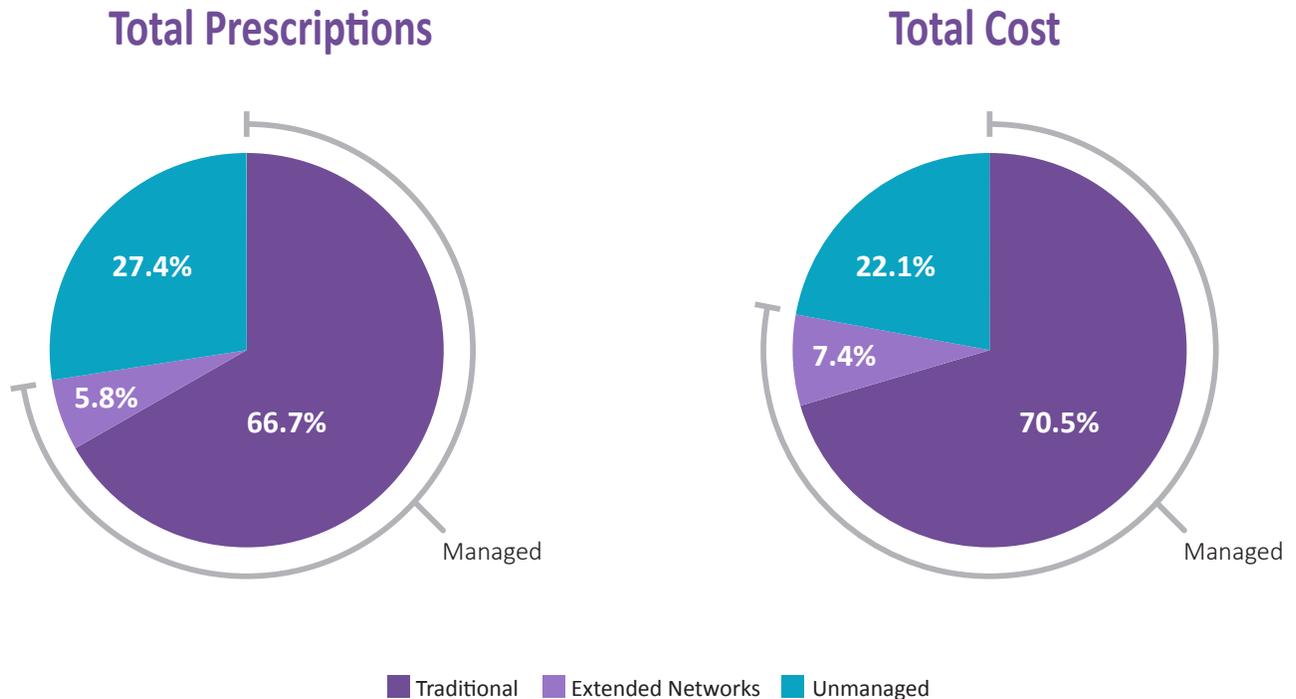
The Unmanaged View

This view includes out-of-network prescription data captured through medical bill review equating to 27.4% of all prescriptions and 22.1% of total cost. Data obtained from out-of-network transactions provides insight about the cost and utilization trends for prescriptions dispensed and billed in the unmanaged space. This level of detail is not typically included within traditional industry drug trend reports.



Pharmacy Trends by Network Type

Managed and Unmanaged Views*



Managed = Traditional (Retail + Mail-Order) + Extended Networks



Unmanaged = Out-of-Network Prescriptions



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

2017 Highlights

Overall utilization was down, including frequently prescribed drugs like opioids and compounds.

Prescription Utilization Per Claim



Generic Utilization



Single-Source Brand Utilization Per Claim



Opioid Utilization



Opioid Utilization Per Claim



Compound Utilization



Compound Utilization Per Claim



Coventry's compound management solution for both managed and unmanaged prescriptions has led to a significant downward trend in compounds and brand-name drugs.

Topical Utilization Per Claim

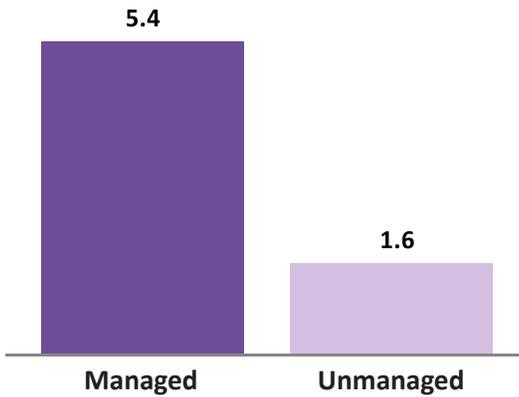


High-dollar, private-label topical analgesics marketed directly to physicians' offices are contributing to the significant rise in unmanaged topical utilization per claim — demonstrating the need for continued focus on moving these transactions into the PBM.

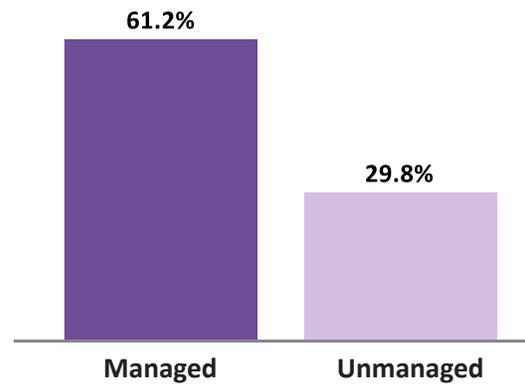
Population Differences

Contrasting claim demographics, such as claim age and injury type, demonstrate the differences between managed and unmanaged groups.

2017 Average Claim Age (Years)



2017 Claims with More than One Fill



Managed Claims Filling Prescriptions

↑ 0.5%
Average claim age

↓ 1.1% pts
Multiple fill claims

Unmanaged Claims Filling Prescriptions

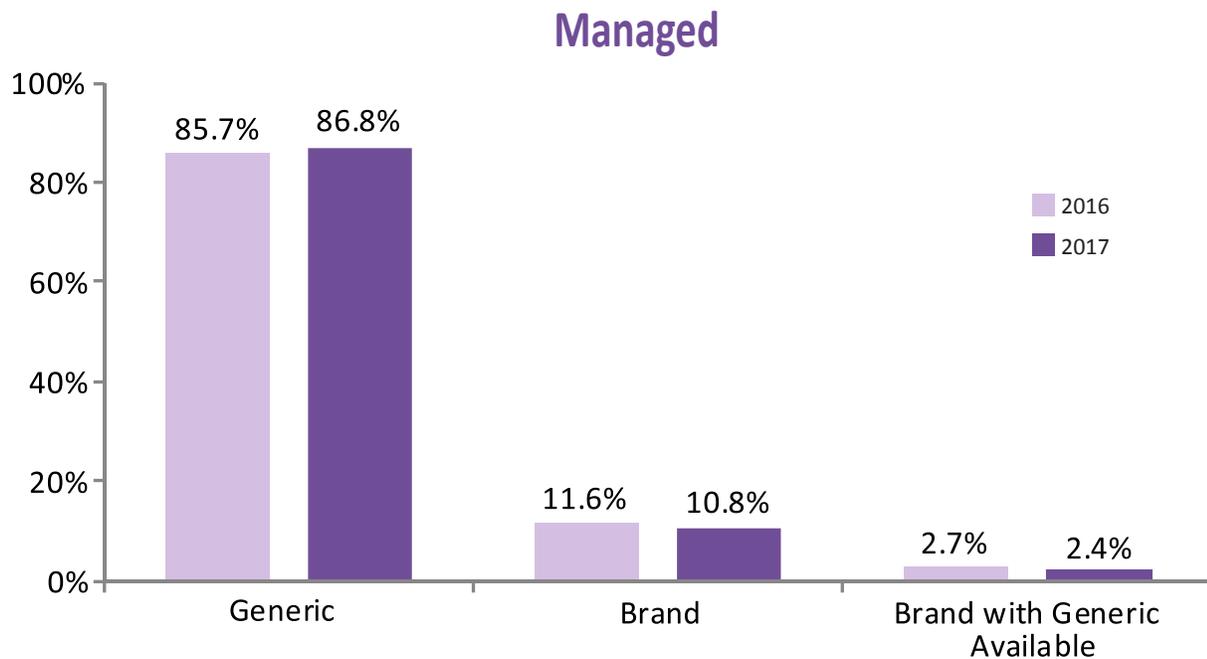
↓ 3.5%
Average claim age

↓ 1.4% pts
Multiple fill claims

Most of the unmanaged prescriptions filled are the first and only prescriptions for those injured workers; this is likely due to the lower acuity level of the injuries not necessitating refills.



Brand and Generic Trends – Utilization by Drug Type



Generic Utilization

86.8%

↑ 1.1% pts

Generic Cost

51.9%

↑ 0.2% pts

Generic Efficiency

97.3%

↑ 0.3% pts

Generic usage as a percentage of all managed prescriptions has increased for the 7th year in a row and accounted for 86.8% of all prescribed medications for the managed population.

Key Classes with Generic Utilization Changes

NSAIDs*

↑ 0.9% pts
Accounted for 14.1% of managed scripts

Topicals

↑ 0.5% pts
Accounted for 3.0% of managed scripts

The generic efficiency rate for topicals, which rose 5.5% points to 92.6%, had the most significant increase among the top 10 classes.

Opioids

↓ 1.0% pt
Accounted for 25.3% of managed scripts

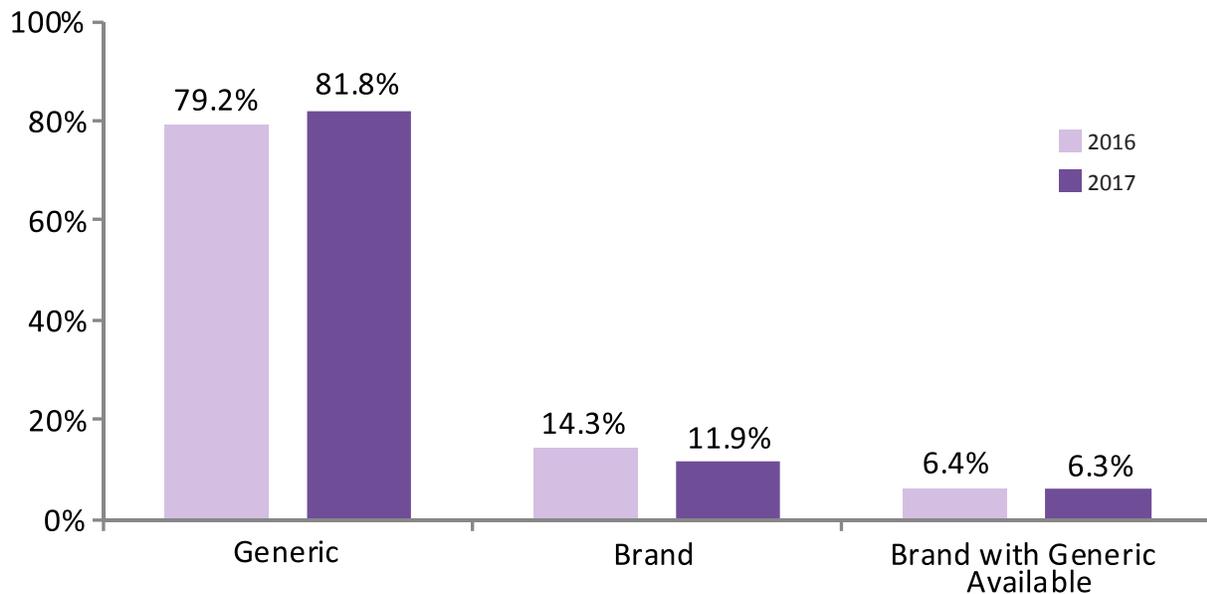
Anticonvulsants

↑ 0.6% pts
Accounted for 7.9% of managed scripts

*NSAIDs: Nonsteroidal anti-inflammatory drugs

Brand and Generic Trends – Utilization by Drug Type

Unmanaged



Generic Utilization

81.8%

↑ 2.6% pts

Generic Cost

57.1%

↑ 12.5% pts

Generic Efficiency

92.9%

↑ 0.4% pts

As a percentage of all prescriptions, generics rose 2.6% points and accounted for 81.8% of all unmanaged utilization. Decreasing compound per-claim utilization led to a 2.5% point drop in brand usage and a corresponding increase for generics.

Key Classes with Generic Utilization Changes

NSAIDs



2.2% pts

Accounted for 30.3% of unmanaged scripts

Topicals



1.4% pts

Accounted for 3.9% of unmanaged scripts

Opioids



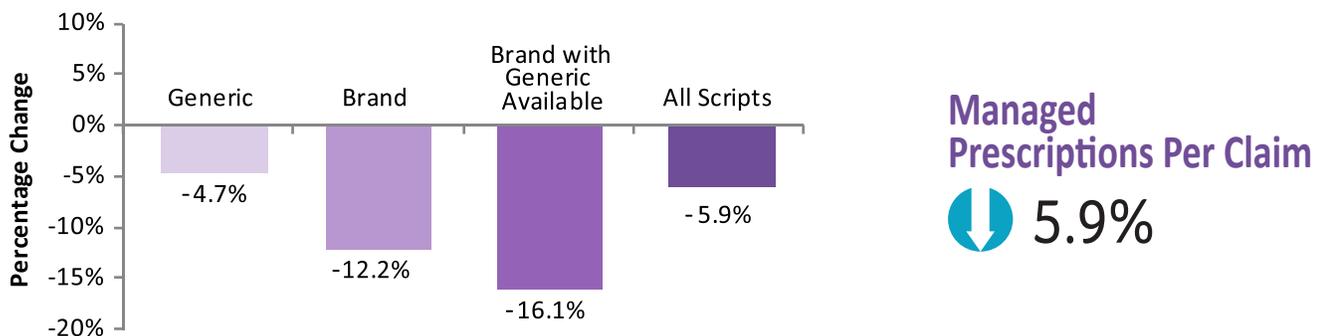
1.5% pts

Accounted for 9.7% of unmanaged scripts

The generic efficiency rate for topicals rose 3.6% points to 95.4%.

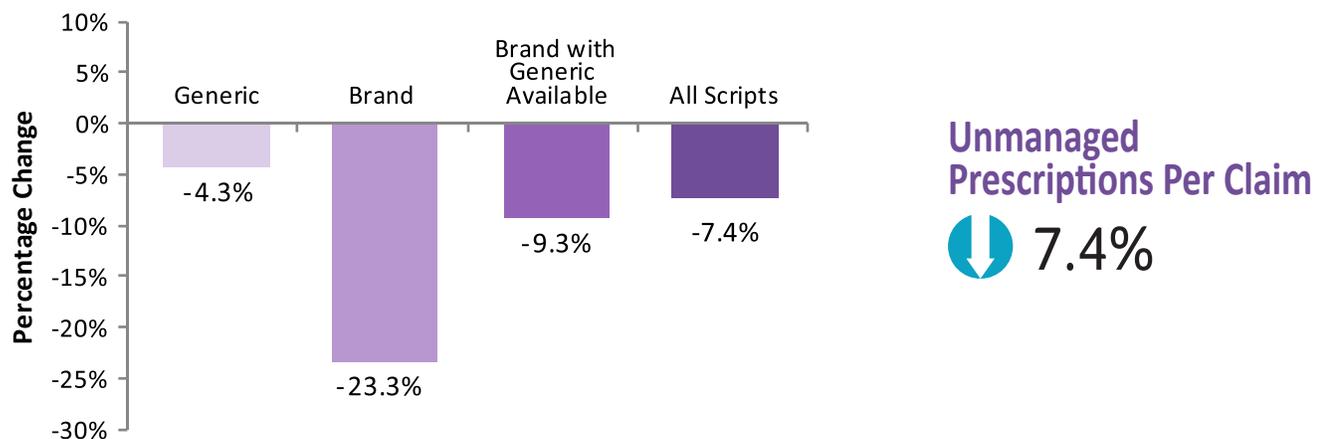
Brand and Generic Utilization Trends

Managed Prescriptions per Claim Trend 2016 to 2017



- Opioid usage declined 9.8% with reductions occurring for generics (9.6%), brand (10.3%), and brand with generic available (13.6%)
- Muscle relaxant usage dropped 4.9% and decreased for generics (4.5%), brand (20.3%), and brand with generic available (19.5%)
- Usage of topical medications fell 6.5%, as declines in both brand (35.5%), as well as brand with generic available (39.8%), more than offset the increase in generics (11.1%)

Unmanaged Prescriptions per Claim Trend 2016 to 2017

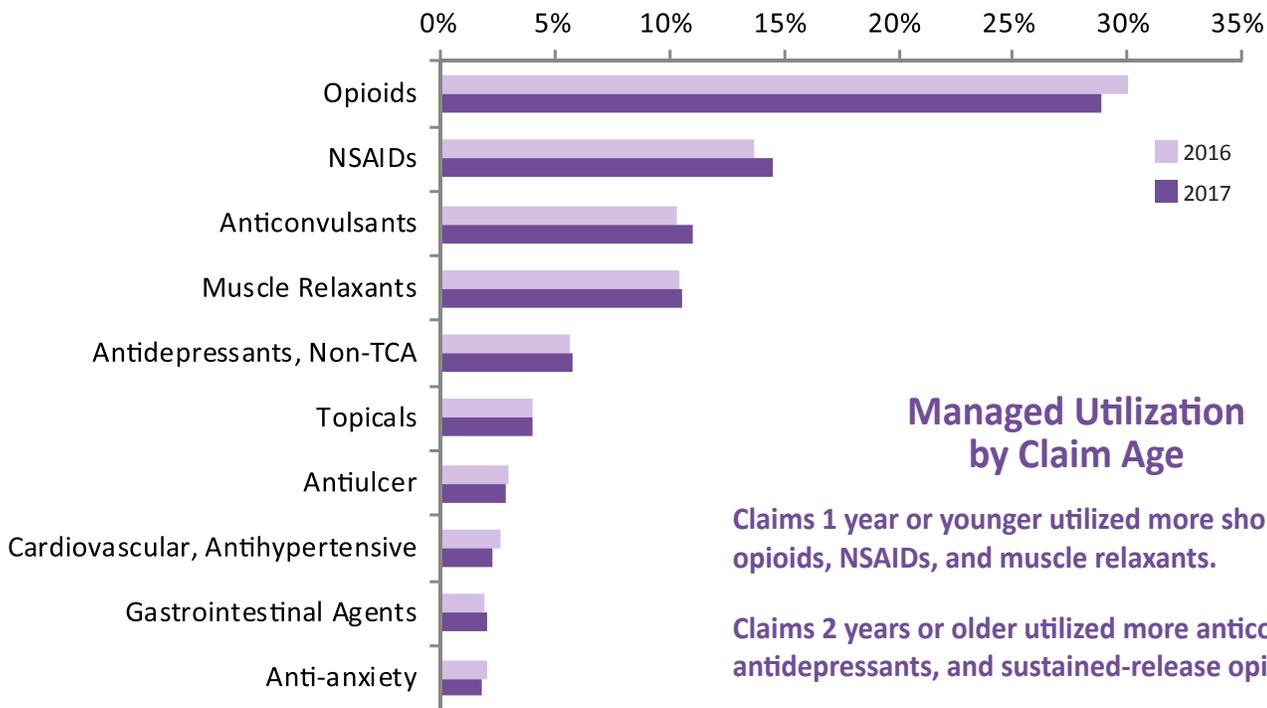


- First Script's clinical oversight had a significant impact on brand drug usage as a 70.9% decrease in compound prescriptions per claim has led to a declining trend for brand drugs
- Unmanaged opioid prescriptions declined substantially across all categories for an average reduction of 20.7%

Top Therapeutic Classes by Utilization

Managed

Percentage of Total Scripts



Managed Utilization by Claim Age

Claims 1 year or younger utilized more short-acting opioids, NSAIDs, and muscle relaxants.

Claims 2 years or older utilized more anticonvulsants, antidepressants, and sustained-release opioids.

Key Classes with Utilization Changes

Opioids

↓ 1.2% pts

Accounted for 28.9% of managed scripts; decline in scripts per claim (9.8%) led to a lower class share

Anticonvulsants

↑ 0.7% pts

Accounted for 11.0% of managed scripts; the only class in the top 10 with increasing scripts per claim

NSAIDs

↓ 0.8% pts

Accounted for 14.4% of managed scripts; negligible decrease in scripts per claim (0.4%) compared to other classes in the top 10 increased class share

Compounds per Claim

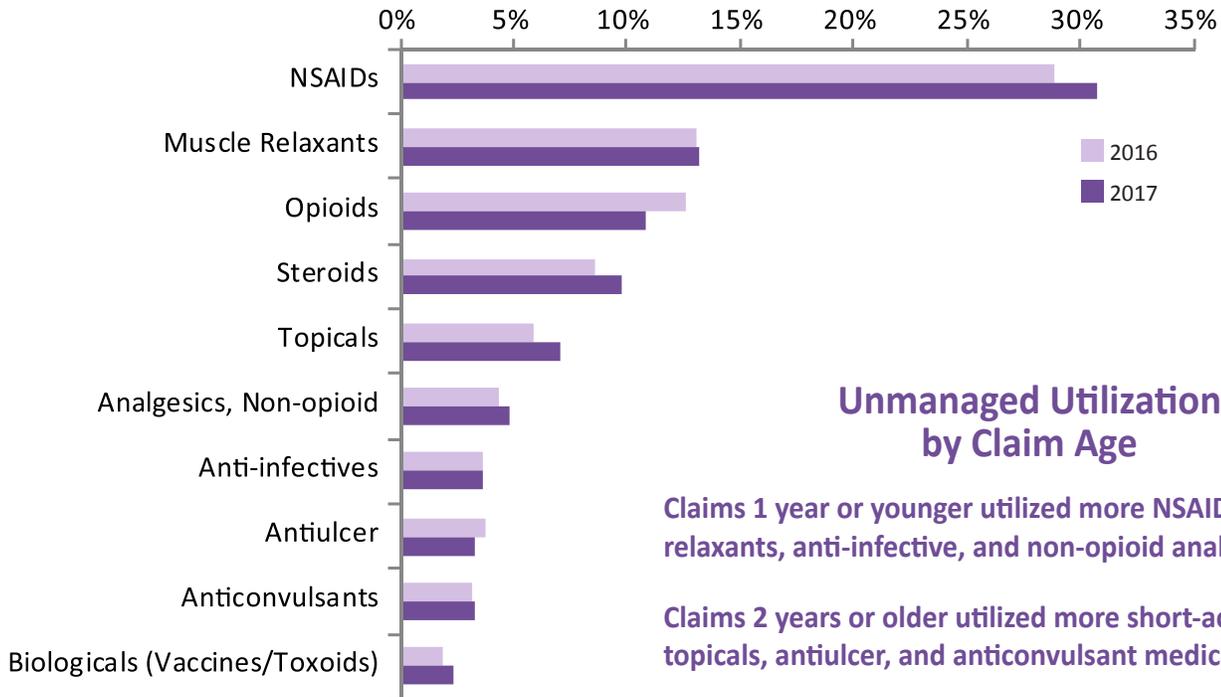
↓ 51.8%

Accounted for 0.2% of managed scripts and now ranks 31st among all classes

Top Therapeutic Classes by Utilization

Unmanaged

Percentage of Total Scripts



Unmanaged Utilization by Claim Age

Claims 1 year or younger utilized more NSAIDs, muscle relaxants, anti-infective, and non-opioid analgesics.

Claims 2 years or older utilized more short-acting opioids, topicals, antiulcer, and anticonvulsant medications.

Key Classes with Utilization Changes

NSAIDs



1.8% pts

Accounted for 30.7% of unmanaged scripts; small decline in scripts per claim (1.5%) compared to other top 10 classes drove the increase

Opioids



1.8% pts

Accounted for 10.8% of unmanaged scripts; significant decrease in scripts per claim (20.7%) led to share decrease

Compounds per Claim



70.9%

Key factor in the decline of unmanaged utilization falling 5 places to #12 in class ranking; accounted for only 1.3% of all unmanaged scripts

Topicals



1.1% pts

Accounted for 7.0% of unmanaged scripts; increase in scripts per claim (9.8%) led to increasing class share

Steroids

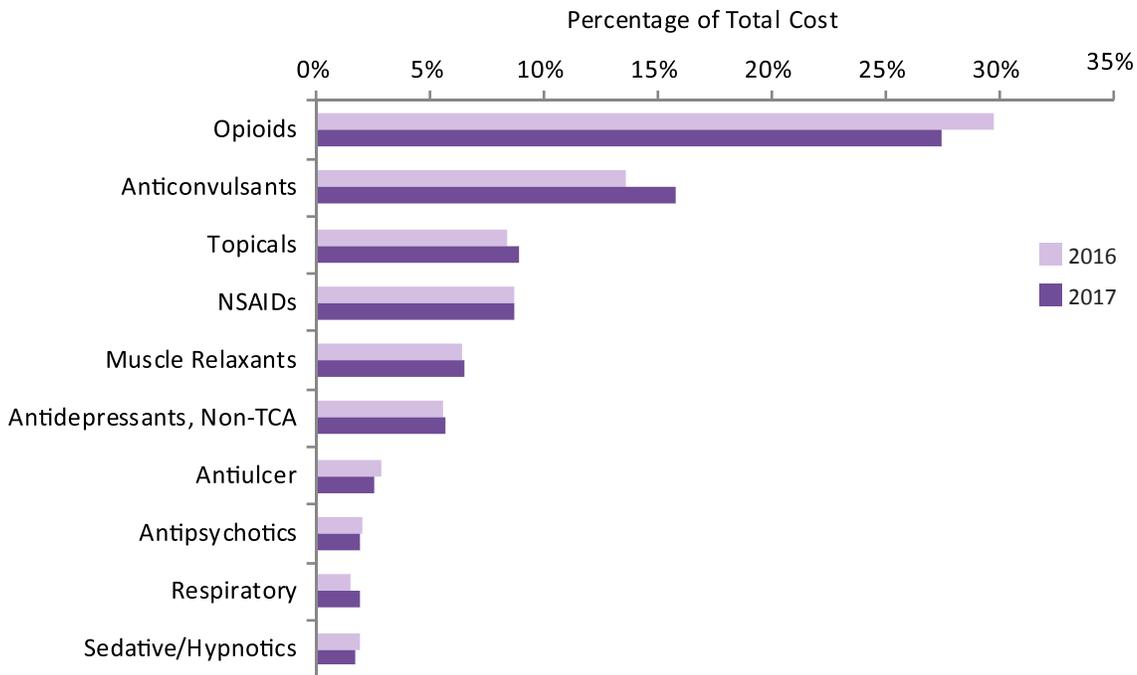


1.3% pts

Accounted for 9.8% of unmanaged scripts; increase in scripts per claim (6.2%) led to increasing class share

Top Therapeutic Classes by Cost

Managed



Key Classes with Cost Changes

Opioids

↓ 2.3% pts

Although ranked #1 continues to decline, moving 2.3% pts to 27.4%

Topicals

↑ 0.5% pts

Accounted for 8.9% of managed costs per script (5.2%) and drove overall cost share

Compounds

↓ 1.4% pts

Costs have fallen by more than half and now account for only 1.1% of all managed costs

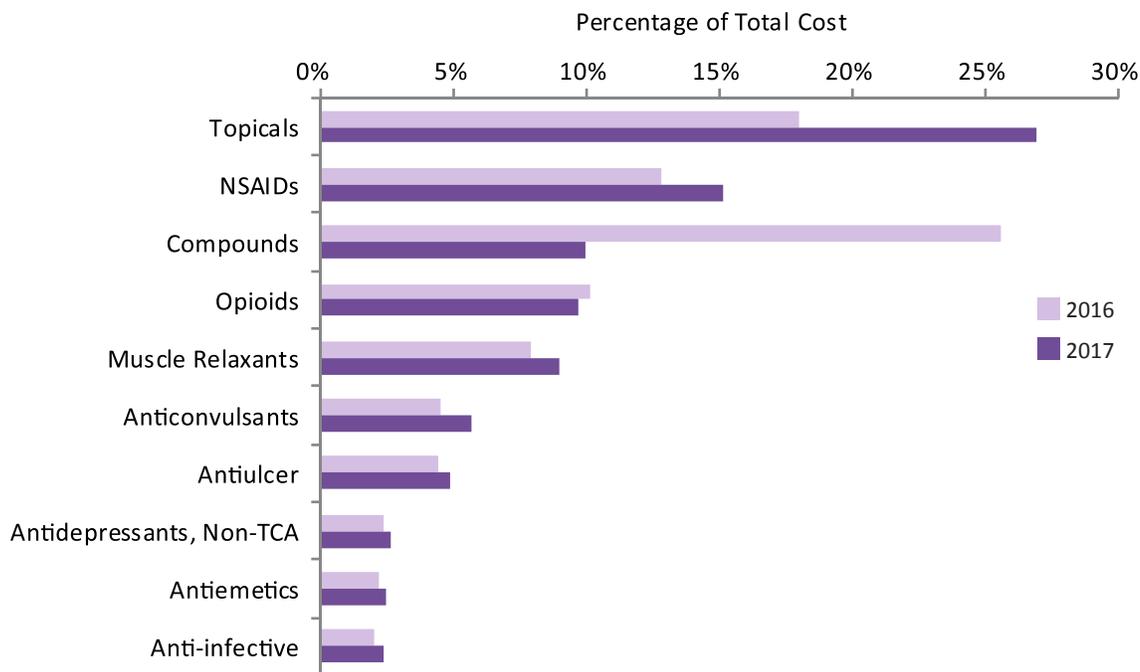
Anticonvulsants

↑ 2.1% pts

Accounted for 15.8% of managed costs; AWP for Lyrica®, the top drug for overall costs, rose 15.2% and drove this increase

Top Therapeutic Classes by Cost

Unmanaged



Key Classes with Cost Changes

Topicals

↑ 8.9% pts

Accounted for 26.9% of unmanaged costs and now ranks 1st in overall cost ranking; greater utilization combined with increasing cost per script led to the upswing

Compounds

↓ 15.7% pts

Costs have fallen by nearly two-thirds and now account for only 9.9% of all unmanaged costs



Conclusion

The managed and unmanaged views highlighted in this report illustrate the importance of capturing scripts in-network and applying both clinical and cost controls before a medication has been dispensed. Moreover, gaining insight into the varying characteristics that comprise the different claim populations can help guide decision-making and allow for preemptive measures to address common challenges that may arise within each group. PBM collaboration can help drive network enforcement and provides additional advantages such as applied subject matter expertise, meaningful analytics, clinical tools, and prescriber oversight that lead to better overall outcomes.

Recommendations

- Identifying and funneling prescriptions through a PBM can ensure the proper cost and utilization controls are applied before prescriptions are dispensed.
- Generic efficiency can be strengthened by directing more scripts in-network for access to greater controls, such as formulary enforcement.
- The continued positive shift away from the use of opioids in favor of using alternatives such as NSAIDs and anticonvulsants to manage pain is the result of factors ranging from states adopting closed formularies to increasing collaboration between a PBM and its payers.
- Working with your PBM to identify opportunities based on the data associated with the various injured worker populations can allow for the greatest impact on outcomes.



**In our next installment of the Drug Trends Series,
we will share our opioid and compound analysis.**

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The screenshot shows the 'firstscript' mobile application interface. At the top, there are navigation tabs for 'Authorizations', 'Enrollments', and 'fsAlerts'. Below the tabs, there is a section for 'Pending Authorizations' with a table of data. The table has columns for 'Submit Date', 'Claim Number', 'Claimant', 'Auth Type', 'Drug', 'Recommend', 'Action', and 'Drug Class'. There are also navigation links like 'Authorization History', 'Download', and 'Table Options'.

Submit Date	Claim Number	Claimant	Auth Type	Drug	Recommend	Action	Drug Class
04/04/2016	LP1234567	WEST, TEDDY	PRE FILL- DRUG	TZANDINE HCL 2 MG TABLET	APPROVE FILL	Select One	MUSCLE RELAXANT
04/04/2016	LP1234567	WEST, TEDDY	PRE FILL- DRUG	ESOMEPRAZOL 60 MG DR 40 MG CAP	APPROVE FILL	Select One	ANTIULCER MEDICA
04/04/2016	LP1234567	WEST, TEDDY	PRE FILL- DRUG	LISINAPRIL 20 MG TABLET		Select One	CARDIOVASCULAR, ANTIHYPERTENSIVE
04/04/2016	LP1234567	WEST, TEDDY	PRE FILL- DRUG	ADVAIR DISKUS		Select One	

Have you used Coventry Connect to manage your PBM transactions? If not, why not? Contact your First Script Account Manager to discover what you've been missing!

First Script online tools in Coventry Connect make adjuster and case manager job duties easier, supporting better decision making for all aspects of pharmacy management. Coventry Connect's features were directly influenced by our customers' input and improve efficiency and effectiveness.



Comprehensive View:
Decisions made in real-time



Online Chat



Access to priority tasks



Proactive approvals & denials



Quick enrollment options



Mobile app for phone or tablet



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 prescriptions into the network isn't the end game; it's what you do with those prescriptions 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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