



Medication trends shaping workers' compensation

A 2017 mid-year review of the prevailing industry influences impacting pharmacy outcomes

Aligning interests to lower total program costs and make the health system work better

At Optum, we are evolving from a traditional, cost per script approach to one delivering more value to our clients and the overall workers' comp system; an approach built on a broader view of the claim and our distinct analytic insight, experience, and capabilities. This whole-person approach means we not only look at the what, but also the why. It means we work with you, and our actions are driven by data. These actions lead to better overall claim management, mitigate risk, and make it easier for claims professionals to make the right decision and take action. Prioritizing the safety and efficacy of care also makes it easier for claimants to restore function, regain independence and/or return to work. In doing so, we drive better care to deliver **more predictable outcomes, clinically and financially.**



About Optum Worker's Comp and Auto No-fault Solutions

Optum Workers' Comp and Auto No-fault Solutions collaborates with clients to lower costs while improving health outcomes for the claimants we serve. Our comprehensive pharmacy, ancillary and managed care services, including settlement solutions, combine data, analytics, and extensive clinical expertise with innovative technology to ensure claimants receive safe, efficacious and cost-effective care throughout the lifecycle of a claim. For more information, email us at expectmore@optum.com.

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Analysis of our data, the industry's largest workers' compensation pharmacy data set, for the first seven months of 2017, indicates pharmacy cost and utilization continue to decline. This decline more than offsets the rate of average wholesale price (AWP) inflation. And while opioid analgesics remain the most frequently prescribed therapeutic class in terms of both the percentage of total spend and the total number of prescriptions dispensed, the percentage has now dropped below 30 percent. Steep declines in the cost and use of compounded medications are also noted. The use of generic medications continues to increase while the cost and use of specialty medications remain steady.

Mid-year 2017 overall cost and utilization trends

Our programs delivered a decrease in the average prescription cost per claim of **5.1 percent**, evidenced by a 3.4 percent decline in utilization along with a 7.0 percent reduction in product and claim mix. This more than offsets growth in AWP inflation of 5.3 percent.

Average prescription cost per claim

▼ **5.1%**

▼ **3.4%** Change in utilization

▼ **7.0%** Change in product and claim mix

▲ **5.3%** Change in average wholesale price

Persistent downward trajectory in opioid analgesic utilization

A bi-product of our well-established, comprehensive medication management programs working in conjunction with stakeholders throughout the system on an ever-evolving regulatory and legislative environment is the continuing decline of all metrics associated with opioid analgesics. Fewer claimants are using opioid analgesic medications and the associated prescribed morphine equivalent dose (MED) is down.

Number of claimants using opioid analgesics

▼ **12%**

Opioid analgesic prescriptions

▼ **14%**

Opioid analgesic spend

▼ **16%**

Total prescribed MED

▼ **17%**

Sustained declines in the cost and use of compounded medications

Deploying clinical tools and expertise to confirm documented medical necessity of compounded medications continues to help improve the safety, efficacy and cost-effectiveness of care. As with all high-cost medications, payers are encouraged to remain diligent in efforts to make certain the prescribed medication is the right medication at the right time.

Number of claimants using compounded medications

▼ **32%**

Compounded medication prescriptions

▼ **36%**

Compounded medication spend

▼ **53%**

Generic utilization continues to climb

Analysis shows the use of generic medications continues to rise, and today stands at **85.6 percent**. Furthermore, generic efficiency remains strong at **99.7 percent**. Such persistency is indicative of comprehensive prospective plan design criteria, strong network enforcement and effective prescription capture programs.

Utilization of specialty medications remains flat though spend declines

Consistent year-over-year results reaffirm specialty medications do not yet represent significance to our workers' compensation book of business. The first seven months of 2017 show a **7.6 percent** decrease in total spend on specialty medications while the number of claimants using specialty medications as well as the percentage of total spend and total prescriptions attributed to specialty medications remains flat.