



2020

Workers' Compensation

Drug Trend Report

Executive Summary

Rising to the challenges of a year like no other

Successfully delivering positive outcomes for myMatrixx payers

Introduction



myMatrixx releases our annual Drug Trend Report as a comprehensive analysis of the major drivers in the sector of workers' compensation retail pharmacy. Delivering the report in 2021 has required us to examine the truly unprecedented circumstances of the last 12 months, and undoubtedly, 2020 was a historic year. The emerging COVID-19 pandemic affected every industry, including our own. With the emergency public health declaration in March 2020, businesses had to adapt quickly, and often without the ability to develop longterm strategies.

Even in less turbulent years, the future is not easy to predict. Major events such as COVID-19 only compound this uncertainty by disrupting our 2020 expectations. However, myMatrixx faced shifting challenges quickly and directly. We are proud to have adjusted rapidly with no disruption in service to our clients. As it became clear that the pandemic would be an ongoing concern, we analyzed our data — gleaning insights that help our clients navigate these uncertain times.

Overall, despite an extremely unpredictable 2020, myMatrixx is excited to share both positive outcomes and uniquely historic data in this year's report.

For payers with a workers' compensation program managed by myMatrixx, overall Rx utilization decreased 4.9% and cost per days' supply decreased by 2.6%.

This report is comprised of 2020 data from payers with plans managed by myMatrixx



2020 In Review

Our analysis of 2020 workers' compensation drug data also enabled us to identify the most important drivers for 2021. For the purposes of this report, the myMatrixx clinical team is focused on three major trends in particular as we continue to develop effective strategies for workers' compensation clients in 2021 and beyond.



Navigating Covid

The COVID distortion effect: How a decrease in new claims is drastically influencing Rx utilization statistics

One of the most significant events in workers' compensation resulting from the pandemic has been the decrease in new claims due to widespread unemployment and the move to remote work. One unforeseen consequence of this decrease, identified by our clinical and business intelligence teams, is a distortion in Rx utilization rates at the individual injured patient (claims) level. As we have previously identified, and will discuss further in this report, new workers' compensation claims are associated with lower Rx utilization and expense, while older claims have greater prescription use and expense.

This means that the reduction in new claims for 2020 caused older claims to distort the average overall Rx utilization, leading to a statistical increase of 12.2% at the individual injured patient level. myMatrixx has labeled this the "COVID distortion effect." In other words, while there was no major change in Rx utilization behavior at the patient level, the decrease in new claims makes it appear that there was.

The evolving picture of COVID-19 treatment for workers' compensation

Evaluating drug trends in workers' compensation is impossible without discussing the COVID-19 pandemic. As mentioned, with so many employees either out of work or working in a highly modified environment, myMatrixx clients have seen an overall decrease in new injuries, and therefore, in new claims.

Work-related COVID cases, such as among frontline health care workers and first responders who have been exposed to the virus, have only had a limited impact on retail pharmacy spend in workers' compensation. Additionally for pharmaceuticals that are required for compensable cases, such as inhalers or cough suppressants, myMatrixx was and will continue to be very quick to respond to implement any necessary formulary updates for clients.

The myMatrixx clinical pharmacy team has received numerous questions about the COVID vaccines, and how they will be handled by workers' compensation pharmacy benefit managers (PBMs). Presently, the cost of vaccines is being absorbed by the federal government under Emergency Use Authorizations (EUAs). As more vaccines are approved through regular U.S. Food and Drug Administration (FDA) channels and brought to market like other vaccines, we expect that they will be covered under private insurance as preventive care. For more on COVID-19 vaccines and their potential effects on workers' compensation, please visit our frequently updated [COVID-19 resource site](#) where you will find our latest vaccine position paper.



Opioid Outlook

Continuing the pressure on opioid misuse on multiple fronts

While COVID-19 is undoubtedly the biggest story of last year, the ongoing efforts against opioid misuse among injured workers is another subject that continues to require attention in our industry. One of the biggest questions is the longer effect of the pandemic, including extended lockdowns and treatment delays, on opioid usage.

As we looked at our own data from the previous year, myMatrixx found that opioid spending declined by 1.2% in workers' compensation cases, pointing to a decrease in Rx utilization. As this report will discuss, the rate of decline is lower than previous years, and our clinical team is investigating potential causes for this trend, particularly regarding the COVID distortion effect as referenced.

myMatrixx continues to put pressure on opioid spending and misuse through a range of efforts including enhanced alerts and interventions designed to identify and decrease opioid risk.



State of Mind

Behavioral care takes on a growing role in workers' compensation

We also see the need for a larger focus on the role of behavioral health care in the treatment of injured workers. While the conventional wisdom has been for workers' comp payers to avoid paying for psychiatric drugs because of the associated long-term escalation in the cost of the claim, there is reason to believe this is no longer the most practical course of action.

Mounting evidence for a bidirectional relationship between chronic pain and mental health is demonstrating that behavioral health solutions can help long-term cases achieve positive outcomes. myMatrixx believes targeted behavioral health interventions offer a unique opportunity for long-term cases, especially those with high opioid Rx utilization rates, to overcome chronic pain and reduce drug dependence. In fact, early intervention guided by our identification of suitable candidates can dramatically impact both drug spend and claim duration.

As we continue to investigate the lasting effects of COVID-19 on the workplace, we are as committed as ever to promoting safety for workers and delivering value to payers. Our fully dedicated clinical team is always here as a resource and we encourage you to reach out to your Clinical Account Executive and team of myMatrixx pharmacists at clinical@mymatrixx.com regarding the information contained in this report.

Phil Walls, RPh

Chief Clinical Officer

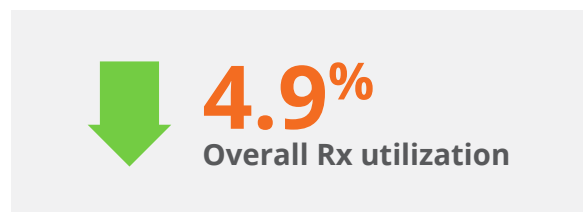
myMatrixx, an Express Scripts company



In a year like no other, declining drug spend continues for myMatrixx payers



In 2020, payers with a workers' compensation program managed by myMatrixx saw decreases in overall Rx utilization and cost per days' supply.



Rx utilization at the injured patient level was impacted by three separate effects: the **COVID distortion effect**, the **age-of-claim effect** and the **age-of-patient effect**. This resulted in an apparent increase in average Rx utilization per injured patient of 12.2% from 2019 to 2020. myMatrixx continued to drive down costs in 2020 by 2.8%, which brought the total trend to 9.3%.

The COVID distortion effect

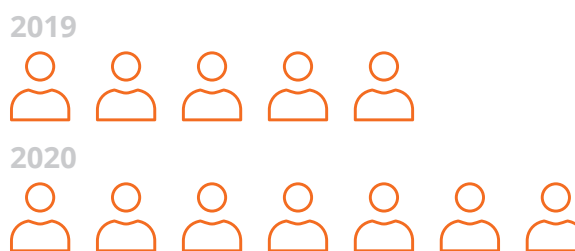
COVID-19	Old claims	Average	New claims
Previous years	Old claims	Average	New claims

Prescription utilization can be measured two ways: at the aggregator level for an entire market or at the individual patient level

Overall utilization



Per patient utilization





40.7%

of the workers' compensation plans managed by myMatrixx reduced drug spending in 2020

Average spending on opioids remained relatively flat at 0.2%, which is attributed to the COVID-19 distortion effect. Our clinical solutions, aggressive client management and changes in state and federal policy focused on opioid prescribing helped us manage opioid spend in a turbulent year.



myMatrixx identified a decline in the percentage of new claims from newly injured workers in 2020, contributing to the COVID distortion effect

PERCENTAGE OF INJURED WORKERS



35.3%

One year or less

64.7%

More than one year



28.5%

One year or less

71.5%

More than one year

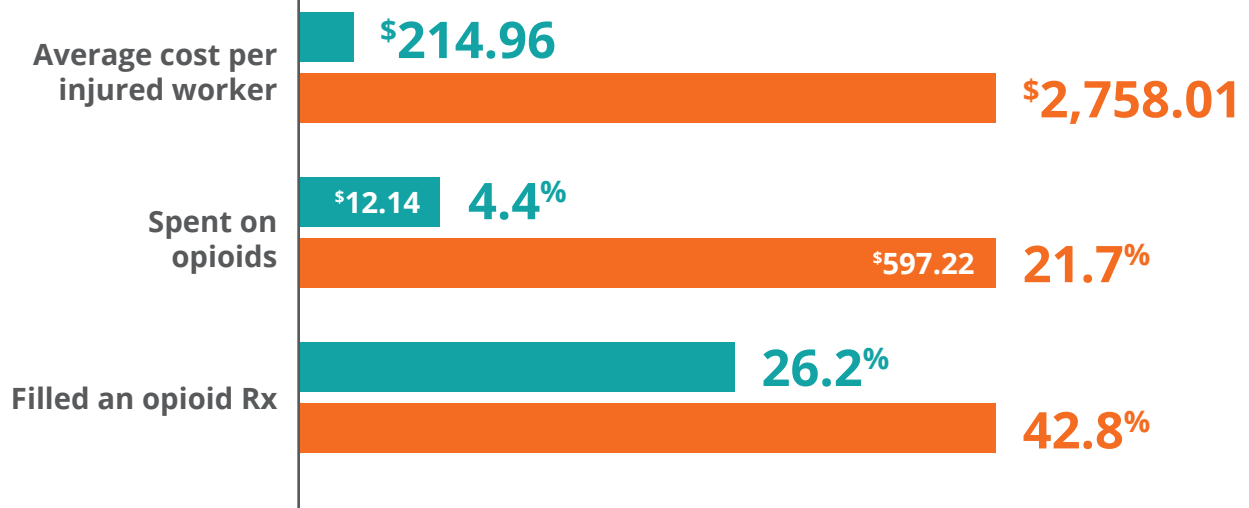


New claims dropped by 19.3%

Age-of-claim effect magnified by the COVID distortion effect

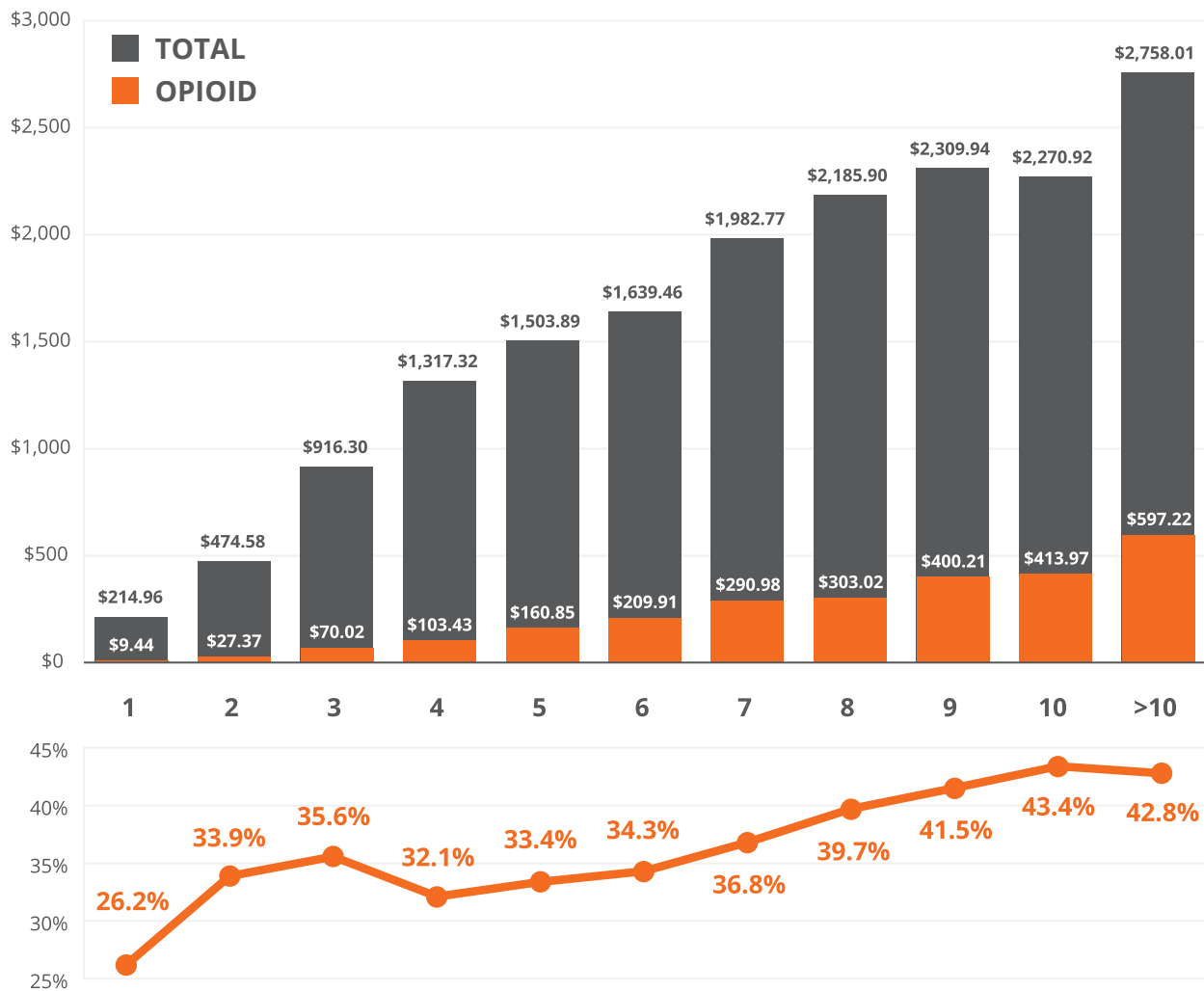
The longer an injured worker takes medication for an injury, the higher costs become. In 2020, this trend was amplified by the decline in new claims and contributed to the appearance of increased Rx utilization.

- FIRST YEAR
- MORE THAN 10 YEARS



AVERAGE OPIOID COST PER INJURED WORKER

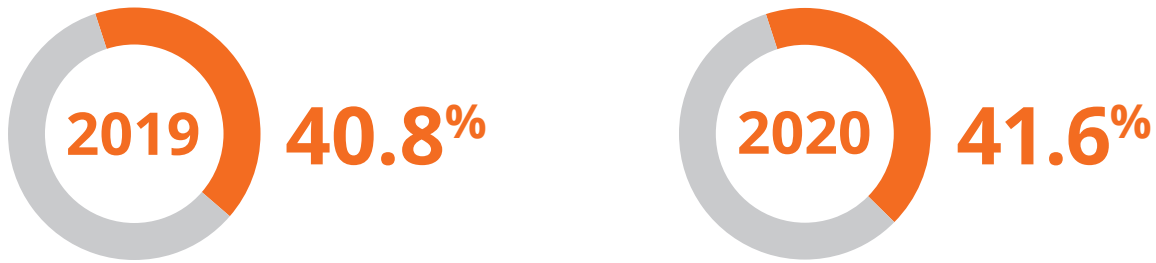
By age of claim, 2020



All injured workers with at least one opioid Rx

myMatrixx Clinical and Safety Evaluation Rx — CASE RxSM — was developed to help claims professionals address inappropriate, ineffective or unnecessary drug therapies that often drive up costs in older claims. Our dedicated clinical team is equipped to perform CASE Rx reviews for any injury or disease condition to provide valuable clinical insights and actionable recommendations that have the potential of positively affecting the course of therapy and the patient’s overall condition.

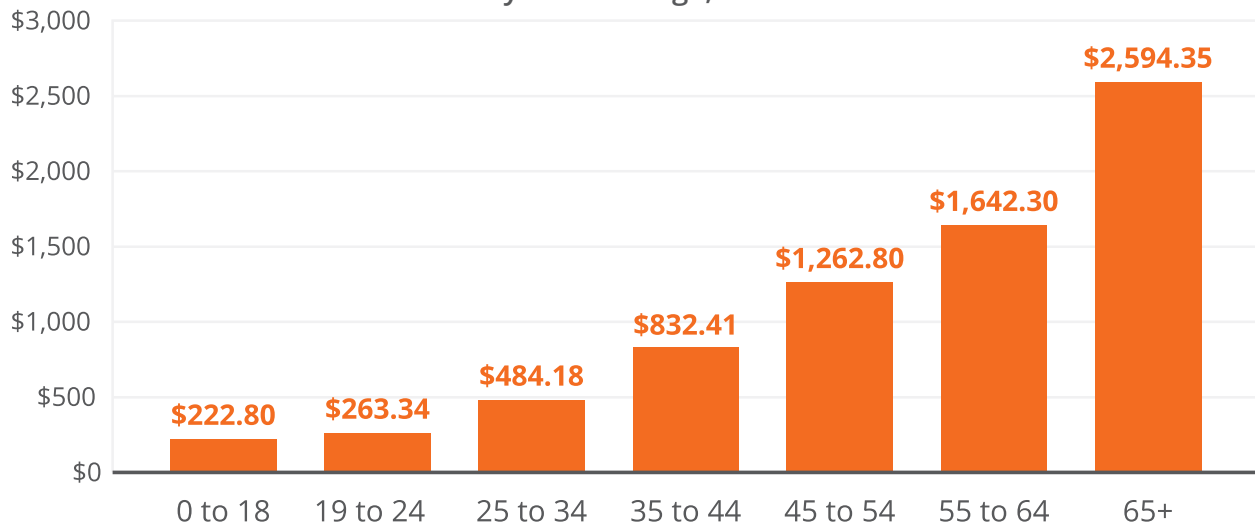
A subset of the population — the aging workforce — further amplified the COVID distortion effect.



The number of injured workers over 55 years old saw a slight increase from 2019 to 2020.

AVERAGE OPIOID COST PER INJURED WORKER FOR THOSE THAT RECEIVING AN OPIOID RX

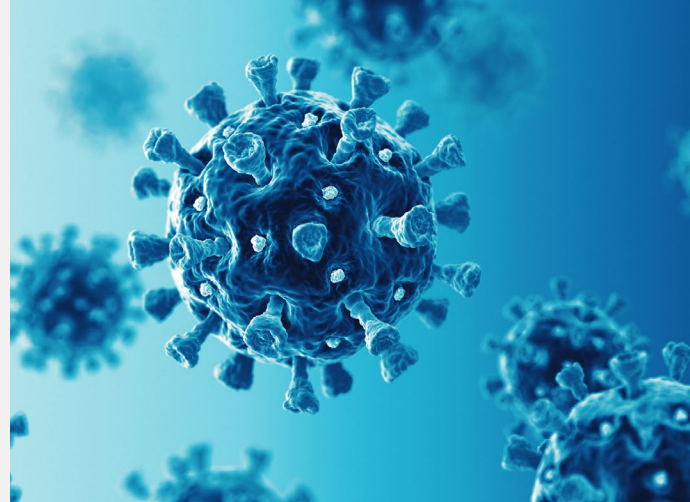
By worker's age, 2020



Both the age-of-claim effect and the age-of-patient effect require highly customized clinical pharmacy strategies developed for individual injured patients. myMatrixx rejected the “one-size-fits-all” approach early on in the evolution of our clinical strategy. Instead, we worked with numerous patients and prescribers to develop CASE Rx. We combine this with comprehensive business analytics to identify appropriate candidates for this individualized approach, which includes:

- Reviewing the injured patient’s medical history
- Evaluating each medication in the current regimen from a risk versus benefit analysis
- Recommending discontinuation of drugs with appropriate or safer alternatives
- Developing step-by-step weaning schedules
- Conducting a guidelines-based telepharmacy intervention with prescribers
- Documenting, measuring and tracking results

The evolving picture of COVID-19 treatment



COVID-19 related medications: Symptomatic treatment

Compensable treatment of COVID-19 symptoms has had minimal impact on retail prescription spending for workers' compensation — **composing less than 0.25% of total spend**. However, Rx utilization among selected drugs increased significantly compared to 2019.

Most notably, hydroxychloroquine use went up drastically when it was believed to be effective for treating COVID-19. After further studies showed it was not effective for prevention or treatment, its Emergency Use Authorization was withdrawn and Rx utilization began to decline.

 **< 0.25%** of retail Rx total spend

RX UTILIZATION TREND PER PATIENT FOR COVID-19 RELATED MEDICATIONS

Condition	Medication	2019 Rx utilization trend	2020 Rx utilization trend
Inflammation/ immune disorders	Dexamethasone	0.3%	19.2%
Rheumatoid arthritis	Hydroxychloroquine*	2.9%	21.6%
Asthma	Albuterol	-2.9%	96.2%

U.S. Food and Drug Administration. Medications not indicated as effective for the treatment of COVID-19. <https://www.fda.gov/>

The COVID-19 pandemic, and the quarantine in particular, had a significant impact on the delivery of health care for patients and physicians, although the impact to workers' compensation was not always the same as with group health care and other payer types.



Electronic prescribing increased for both group health care and workers' compensation where it **increased from 48.0% in 2019 to 55.9% in 2020**



7.6%
Electronic prescribing

This number lags behind other markets primarily because of the higher number of opioid and other controlled substance prescriptions used in workers' compensation. According to Surescripts, the nation's largest health information network, as of 2018, 85% of all prescriptions for non-controlled substances were sent electronically and only 31% for controlled substances. That ratio will rapidly change with the adoption of the **SUPPORT for Patients and Communities Act**¹ which went into effect on Jan. 1, 2021, and requires electronic prescribing for all controlled substances under Medicare Part D. In addition, more than half of all states are on their way to requiring that prescribers use e-prescribing for opioids, controlled substances or all prescriptions, which will impact workers' compensation as well.



As part owner of Surescripts, myMatrixx, an Express Scripts company, is uniquely positioned to maximize the use of electronic prescribing, increasing efficiency, accuracy and patient safety for injured workers.

¹ Uhrig, P. (2019). Reviewed April 2021. *It's Official: Half of All States Will Soon Require E-Prescribing to Combat the Opioid Epidemic.* <https://surescripts.com/news-center/intelligence-in-action/opioids/it-s-official-half-of-all-states-will-soon-require-e-prescribing-to-combat-the-opioid-epidemic/>



In contrast, home delivery increased in group health care, but remained relatively unchanged for workers' compensation in 2020, where it represented 10.6% of prescriptions.

Home delivery cost

25%
LESS

Average days' supply costs for workers' compensation patients who used **myMatrixx home delivery** was **25% less** than those using retail pharmacies

Retail cost

It's in a payer's best interest to utilize home delivery whenever possible. myMatrixx has specialized home delivery options customized for payers to drive down costs. This includes, but is not limited to, injuries related to:

- ❑ Catastrophic claims
- ❑ Injured workers living in frontier counties
- ❑ Use of maintenance medications especially applicable to presumption claims

Opioid and specific controlled substances are excluded



Keeping the focus on proper opioid usage



Opioid prescribing is down, while opioid spending per injured worker remains unchanged

Spending on opioids for payers with pharmacy benefits managed by myMatrixx declined by 15.1% in 2020, outpacing the decline in overall Rx utilization, which was 11.4%.

Average spending on opioids per injured patient utilizing opioids was relatively flat 0.2% — going from \$219.04 to \$219.48 per injured patient per year, for payers between 2019 and 2020.



15.1%

Spending trend on opioids decreased for payers with pharmacy benefits managed by myMatrixx



51.7%

of payers spent less on opioids in 2020



20.0%

of injured workers used opioids for 30 days or less

The growing role of behavioral care in workers' compensation



Addressing mental health can improve return-to-work outcomes and curb opioid misuse

As identified by Express Scripts, during the early months of the COVID-19 pandemic, quarantines and lockdowns had a significant impact on the use of psychotropic drugs in America. For more information, please see Evernorth's Express Scripts PBM special report on [America's State of Mind](#).

In December 2020, myMatrixx observed in our panel discussion with industry experts entitled Transportation Safety and COVID-19 that injured workers experience a similar sequelae of events following a significant injury that the rest of America faced at the start of the pandemic. Many are isolated at home, often in pain and without meaningful work. Others are required to work in potentially hazardous workplaces. Anxiety, sleep disturbances and depression are on the rise. Not surprisingly, we found increased Rx utilization trend for many psychotropic drugs and opioids.

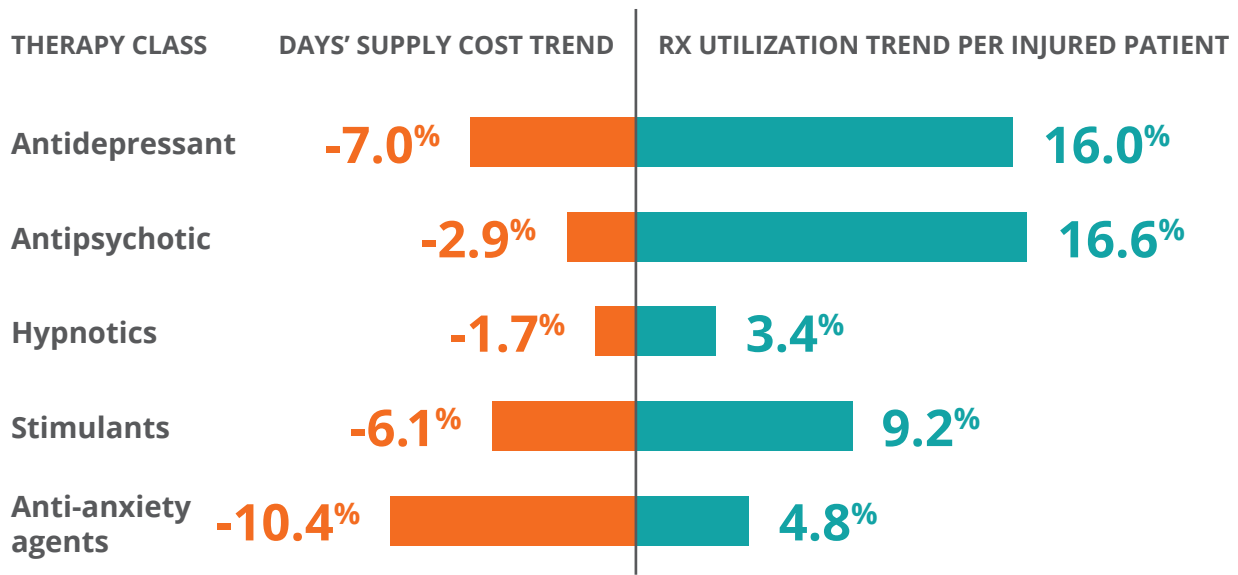


Not addressing the mental health of injured workers can delay return-to-work, increase the risk of opioid addiction or both.

Although mental health conditions rarely can be proven as work-related on their own, they often arise as a result of work-related injuries.

USE OF PSYCHOTROPIC MEDICATIONS IN THE TREATMENT OF MENTAL HEALTH CONDITIONS

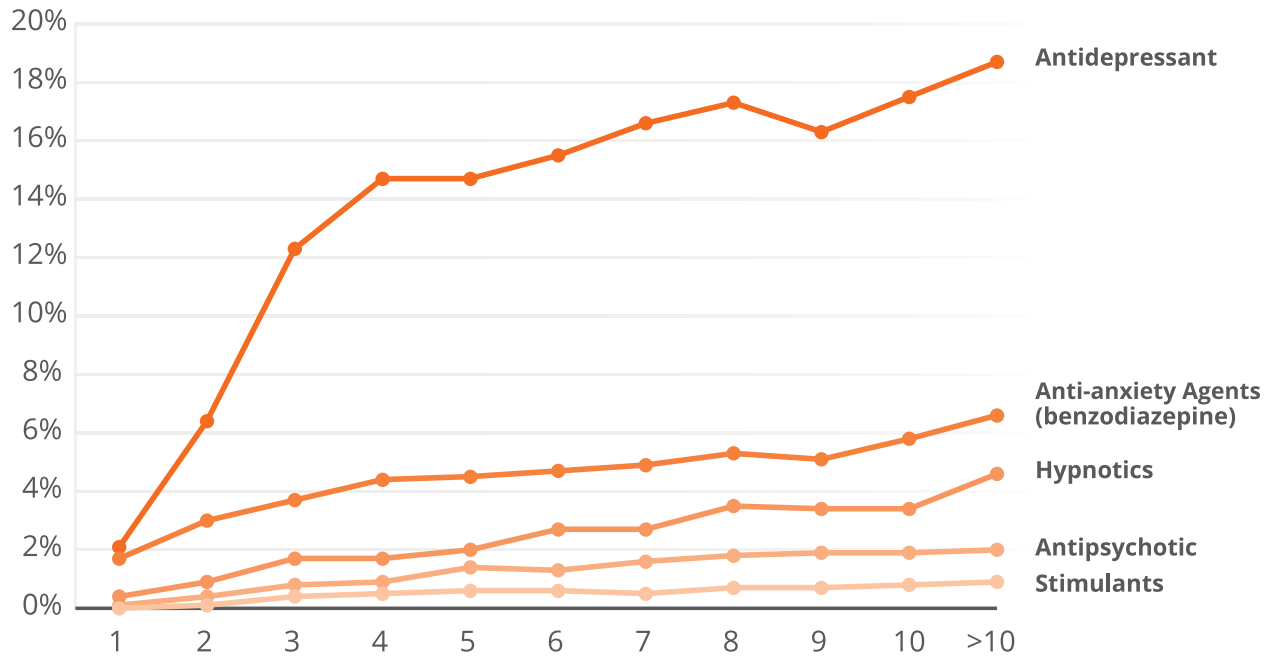
2020 Trend



Use of medications for the treatment of mental health conditions increased between 2019 and 2020, even as cost trends for the drugs declined

USE OF PSYCHOTROPIC MEDICATIONS IN THE TREATMENT OF MENTAL HEALTH CONDITIONS*

By age of claim, 2020



The age of the claim is also a central factor among injured workers who filled a prescription for a mental health condition. Understandably, use of mental health medications is greatest among those with longer-term injuries.

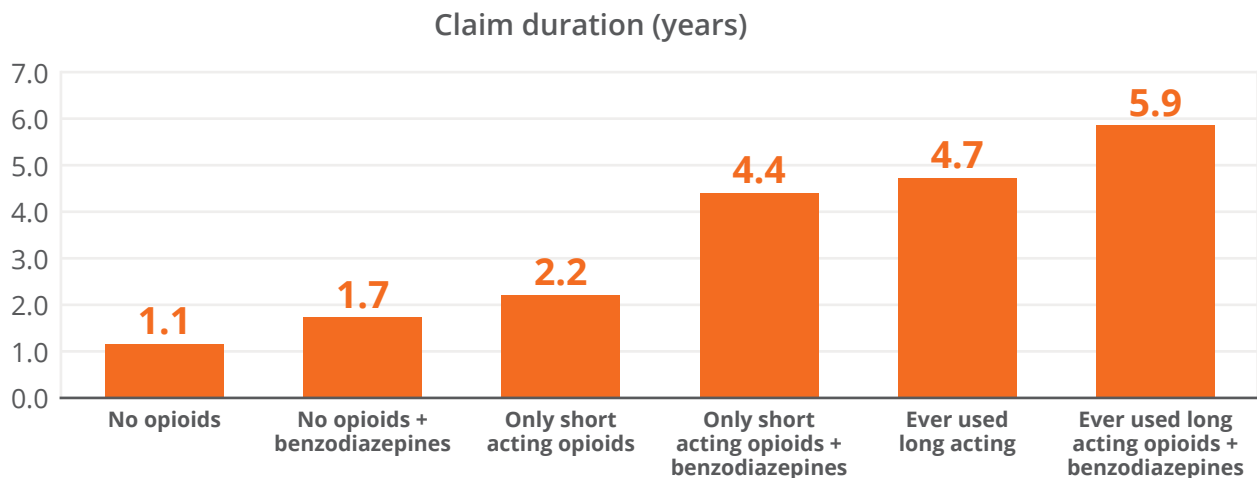


Certain drug combinations highlight the need for early intervention with behavioral care

A primary area of concern is combinations of drugs, particularly opioids and benzodiazepines, which have an especially high risk of misuse when prescribed together. The myMatrixx clinical team is responding to this trend by offering enhanced alerts and interventions designed to decrease opioid misuse.

The following two charts, Age of Claims by Dangerous Combination and Total Claim Cost by Dangerous Drug Combinations, are derived from data included in a 2014 Study. This external data was included to highlight the significance and need for early intervention with behavioral care.³

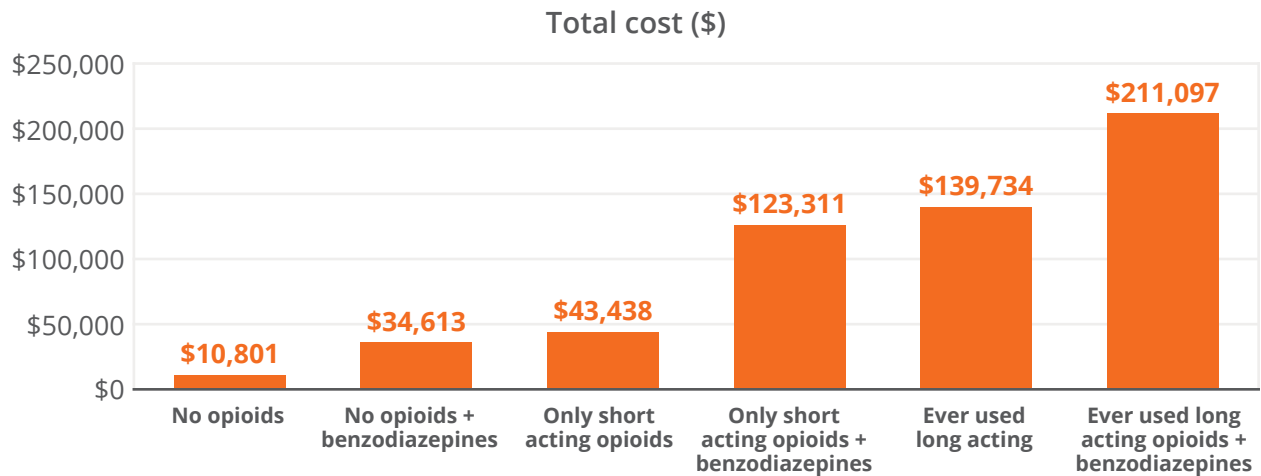
AGE OF CLAIM BY DANGEROUS COMBINATION*



*Data from a 2014 Study published in the Journal of Occupational and Environmental Medicine



TOTAL CLAIM COST BY DANGEROUS DRUG COMBINATIONS



- ❑ **The presence of prescription benzodiazepines extends claim duration and is associated with more than tripled costs, from \$10,801 to \$34,613.**
- ❑ **Likewise for injured patients taking short-acting opioids, but not long-acting opioids, the presence of prescription benzodiazepines is associated with nearly tripled claim costs, from \$43,438 to \$123,311.**
- ❑ **For injured patients taking long-acting opioids, the presence of benzodiazepines is associated with a 51% increase in claim costs, from \$139,734 to \$211,097.³**

Although state prescription drug monitoring programs (PDMPs) were developed to provide prescribers with information about previous and concurrent prescriptions for controlled substances, not all states mandate their use. Furthermore, according to the Association of State and Territorial Health Officials, “While PDMPs have contributed substantially to safer prescribing and dispensing of controlled pharmaceuticals as well as reducing drug diversion, they are often underutilized by state and other public health agencies.”⁴

myMatrixx can detail how myRxAdvocateSM and the pharmacovigilance programs developed by myMatrixx augment the effectiveness of PDMPs.

³ Lavin, R. A., Tao, X., Yuspeh, L., & Bernacki, E. J. (2014). Reviewed March, 2021. Impact of the Combined Use of Benzodiazepines and Opioids on Workers' Compensation Claim Cost. *Journal of Occupational and Environmental Medicine*, 56(9), 973-8. DOI:10.1097/jom.000000000000203. <https://pubmed.ncbi.nlm.nih.gov/25046322/>

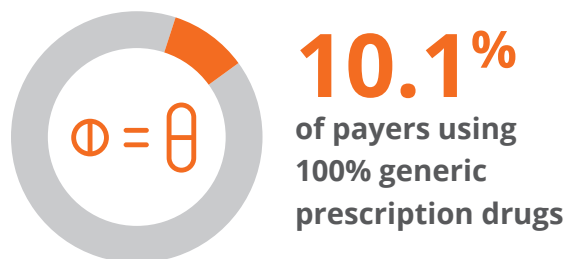
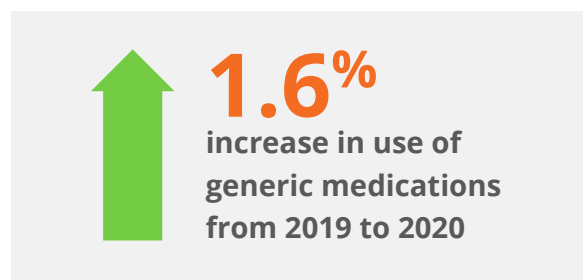
⁴ (Undated). Reviewed March, 2021. Prescription Drug Monitoring Programs: Tools for Education, Epidemiological Surveillance, Prevention, and Early Intervention. Association of State and Territorial Health Officials. <https://www.astho.org/Rx/Brandeis-PDMP-Report/>

Maximizing value by maximizing generic Rx utilization



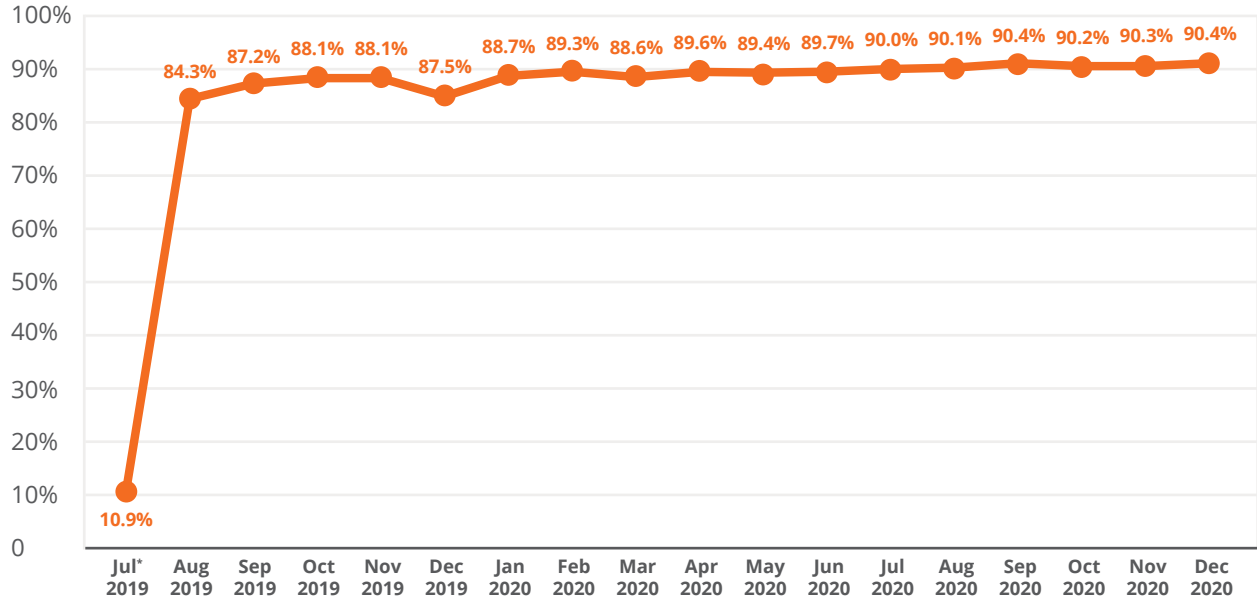
Generic utilization and efficiency

Among our clients, use of generic medications continues to increase — from 87.0% in 2019 to 88.6% in 2020. Notably, 10.1% of all payers that utilize myMatrixx to manage their prescription drugs attained 100% generic Rx utilization among drugs with generic equivalents.



By achieving optimal mix of the maximum clinically appropriate generic fill rate for each therapy class, payers could have saved an additional \$23.7M in 2020. For example, pregabalin, the generic form of Lyrica® introduced in July 2019, continued to result in savings for payers as it gained market share in 2020.

GENERIC FILL RATE (%)



*Pregabalin was not available in a generic form before July 2019

On average, a pregabalin prescription saves payers 40% compared to Lyrica, yet Lyrica is the number one drug that prescribers indicate is medically necessary to be dispensed as a brand, also referred to as DAW1. Following Lyrica in terms of brand medically prescribing are Lidoderm® (lidocaine) patches and Percocet® (acetaminophen/oxycodone) both with long-established generics.

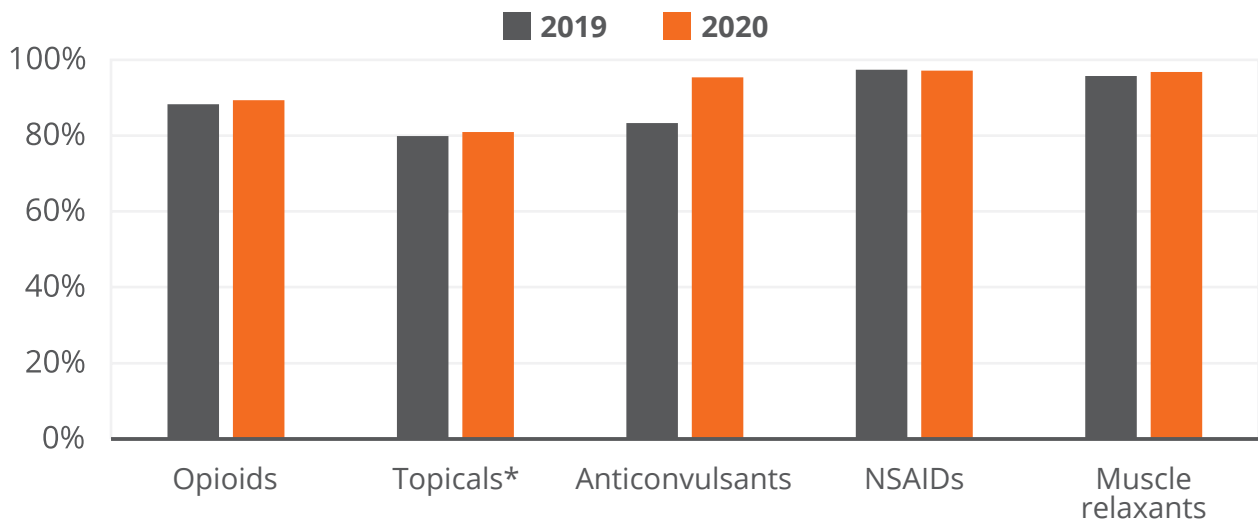
To receive FDA approval, generic drugs must be fully equivalent to their brand-name counterparts. As a result, patients rarely need the brand-name version of a medication when a generic alternative is on the market. However, a major driver of high prescription drug prices in the United States is prescribers mandating DAW1 for drugs such as Lyrica.





myMatrixx pharmacists often intervene to ensure that the branded product is medically necessary when DAW1 is indicated. In just one example, a myMatrixx clinical pharmacist found no medically necessary reason to dispense brand Valium® (diazepam) and Percocet when reviewing one case. **By substituting the generic equivalents, cost savings amounted to more than \$4,100 per month.**

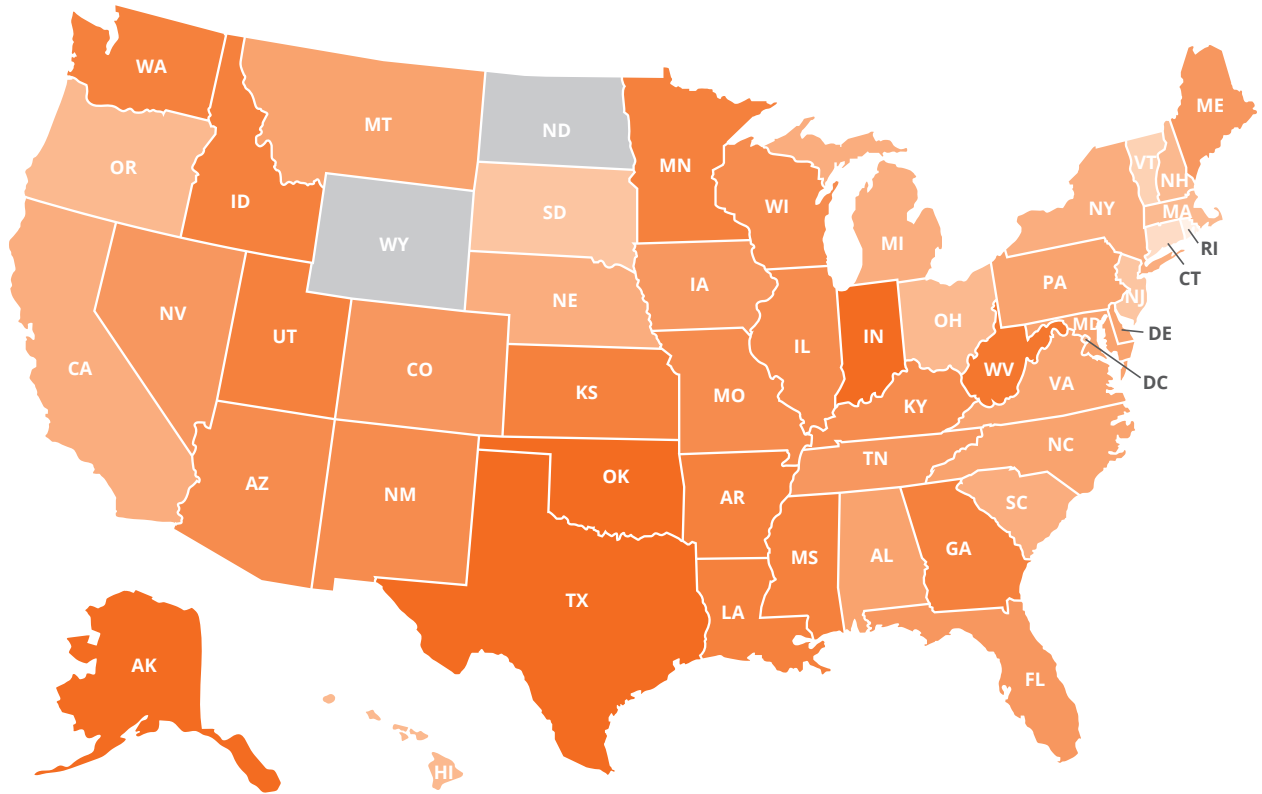
GENERIC FILL RATE FOR TOP FIVE THERAPY CLASSES



*Includes both traditional and private-label topicals, as discussed in this report.

WORKERS' COMPENSATION GENERIC FILL RATE

By state, 2020



TOP 10 SPECIALTY MEDICATIONS

By per patient per year (PPPY) spend, 2020

Medication	Therapy class	PPPY spend	Cost per days' supply	Rx utilization	Cost per days' supply tend	Total
Truvada® (emtricitabine/tenofovir disoproxil fumarate)	HIV	\$9.22	\$62.91	-22.5%	4.5%	-18.9%
Isentress® (raltegravir)	HIV	\$7.28	\$55.47	-10.1%	4.3%	-6.2%
Synvisc-One® (hylan G-F 20)	Osteoarthritis	\$4.35	\$20.01	-30.8%	55.6%	7.7%
Enbrel® SureClick® (etanercept)	Inflammatory conditions	\$4.16	\$209.44	10.0%	4.6%	15.0%
Botox® (onabotulinumtoxinA)	Neuromuscular conditions	\$3.50	\$21.89	12.7%	-1.8%	10.7%
Revlimid® (lenalidomide)	Cancer	\$3.32	\$567.09	226.1%	-14.7%	178.1%
Xolair® (omalizumab)	Asthma	\$3.22	\$148.09	33.2%	-3.5%	28.5%
Uptravi® (selexipag)	Pulmonary hypertension	\$3.06	\$595.88	13.7%	-1.2%	12.4%
Dupixent® (dupilumab)	Skin conditions	\$2.91	\$117.41	126.8%	0.7%	128.4%
Xtandi® (enzalutamide)	Cancer	\$2.73	\$384.78	322.9%	0.8%	326.1%



Top 10 therapy classes and insights



76.8%

The top 10 therapy classes accounted for 76.8% of total workers' compensation drug spending in 2020.

In 2020, Rx utilization increased for all of the top 10 therapy classes, particularly anti-asthmatics (23.1%) and anticoagulants (24.5%).



\$1,326.35 2019

\$1,114.98 2020

\$211.37 Reduction in average spend



34.5%

higher costs per days' supply for anticoagulants, moderated by low and negative trend for other therapy classes

2020

Workers' Compensation

Drug Trend Report

Learn more about the extensive suite of workers' compensation pharmacy solutions administered by myMatrixx: www.mymatrixx.com

Download the 2020 myMatrixx Drug Trend Report Executive Summary:
www.mymatrixx.com/drug-trend-report

View the Evernorth 2020 Drug Trend Report which analyzes prescription claims data administered by Evernorth's Express Scripts PBM:
www.evernorth.com/drug-trend-report

