



Demystifying Drug Pricing in Workers' Compensation

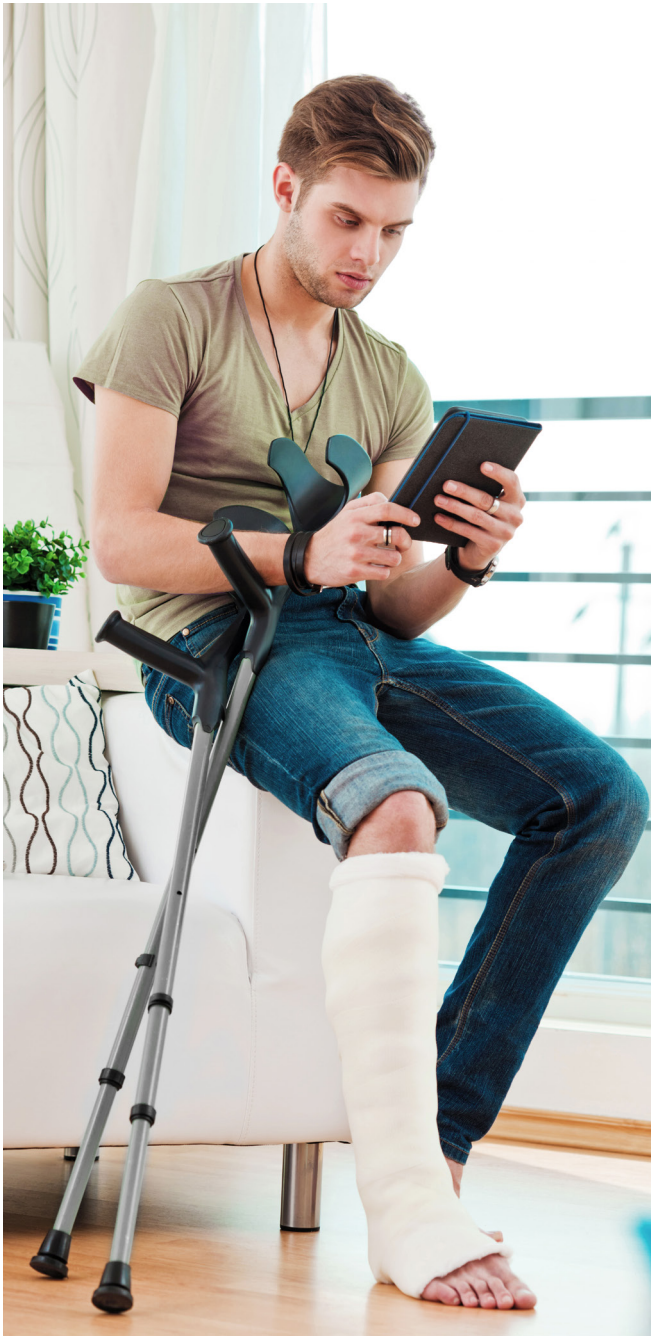
2023
Report Series

Part Two: Examining the Impact of Opioids on Drug Spend

In our ongoing series, we're looking at aspects of workers' compensation pharmacy benefits that significantly impact pricing and spending but don't always receive the attention they deserve. With drug prices continuing to receive scrutiny across our industry and health care at large, it's important to isolate and clarify these cost drivers so they can be better understood, and so claims professionals and payers can respond to them appropriately.

In Part One of this series, we examined some of these factors in the traditional drug market, including generic efficiency, high-cost single source drugs and pre-Medicare set-aside arrangements. We found that while overall traditional drug spending continues to decline, strategies including generic substitution, network penetration and mail-order pharmacy are essential to controlling costs.

For Part Two, we are focusing on opioids — a subcategory of traditional drugs that receives considerable attention for clinical and safety reasons, despite major strides in the past decade, but also continues to be a major spending risk.



Our focus for this report:

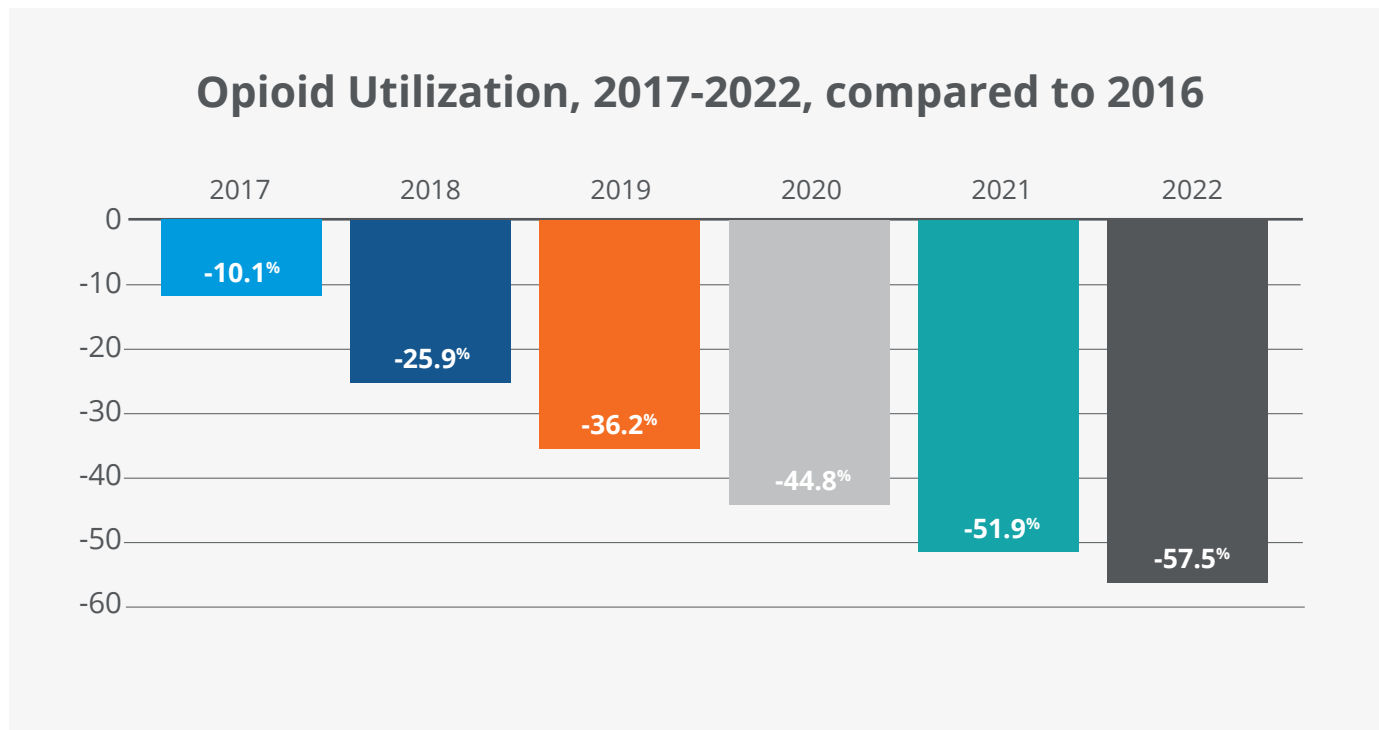
- 1** Overall decline in opioid use and spend since 2016
- 2** Cost drivers including patent extensions
- 3** Developing an effective opioid management strategy

1. Opioids in Today's Workers' Compensation Market

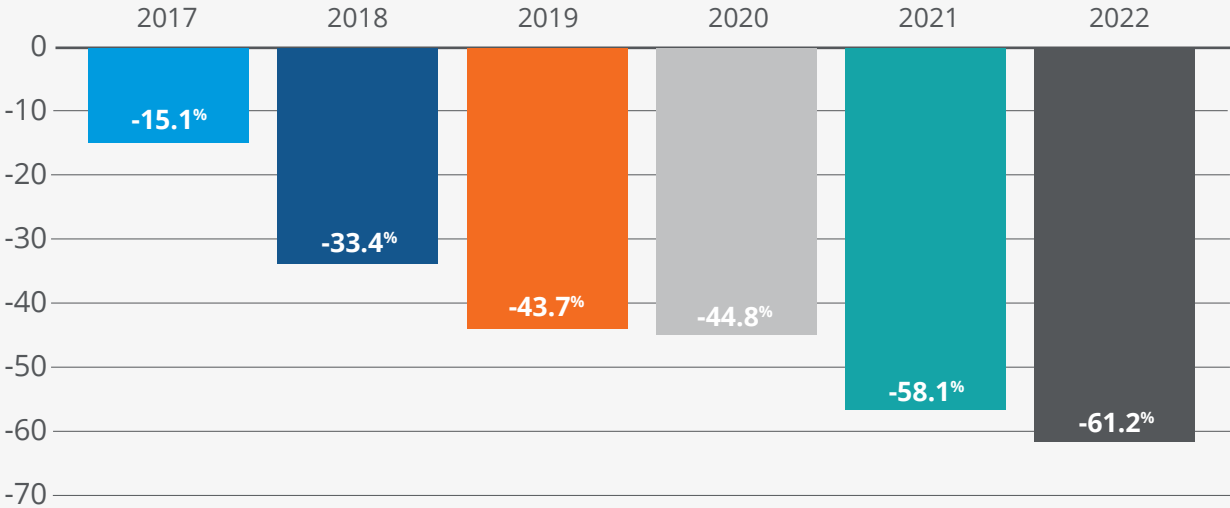
Despite ongoing progress to reduce the potential for misuse, prescription opioids, including oxycodone (e.g., OxyContin), fentanyl (e.g., Duragesic) and hydrocodone (e.g., Vicodin), still represent an ongoing safety concern for injured workers. When prescribed and used appropriately, opioids may be effective drug therapy to help injured workers manage pain for issues including serious injuries, chronic diseases and postsurgical recovery. However, due to the high potential for addiction and the risk of serious and even fatal overdoses, opioid misuse has been declared an ongoing crisis by public health officials and other stakeholders in both health care and workers' compensation.

Although prescriptions for opioids as part of a workers' compensation claim have declined in most states, down to 32% in 2022 compared to 55% in 2012, according to the Centers for Disease Control and Prevention (CDC),¹ there was a spike in overdose deaths in the general population between 2020 and 2021. Most of these overdoses were related to illicit opioids, but prescription opioid overdoses, including those in workers' compensation, continue to represent a safety concern.

A decline in overall prescriptions should correlate with a decline in overall opioid spending, and according to myMatrixx clinical data, this is certainly the case. In fact, according to data for opioid prescriptions managed by myMatrixx, opioid spending declined 61.2% from 2016 to 2022, outpacing the reduction of opioid utilization, which declined by 57.5% during the same period. Year-to-year decreases using 2016 as a baseline may be seen in the charts below:



Opioid Drug Spend, 2017-2022, compared to 2016



This is certainly good news, but in analyzing this data, our clinical and data teams have also identified multiple trends with the potential to impact opioid utilization and spending.



2. Cost Drivers Among Opioids

In examining current opioid trends, we at myMatrixx have identified that the two most expensive opioids are not actually cost drivers because our opioid reduction program has minimized their use, namely fentanyl citrate (generic Actiq and generic Fentora) and levorphanol tartrate (generic Levo-Dromoran). Even the generic forms of these drugs respectively cost more than 142 and 116 times the average prescription cost of hydrocodone with acetaminophen, which is the most commonly used opioid. Combined, these products represent less than 0.1% of all opioid prescriptions managed by myMatrixx.

Although not nearly as expensive as the opioids mentioned above, one cost-driving drug in this category is buprenorphine. This drug is a mixed agonist-antagonist in the presence of opioids, and although it is an opioid itself, it is used to treat opioid use disorder (OUD) in addition to pain.

High-cost Buprenorphine Formulations

DRUG NAME	INDICATION	GENERIC AVAILABLE	ROUTE OF ADMINISTRATION	AWP RANGE (PER BOX)
Brixadi Subcutaneous Solution Prefilled Syringe 64mg/0.18ml	OUD	No	Subcutaneous injection	\$498 – \$1,914
Sublocade Subcutaneous Solution Prefilled Syringe 100mg/0.5ml	OUD	No	Subcutaneous injection	\$2,305 (per syringe)
Zubsolv Sublingual Tablet 0.7-0.18mg	OUD	No	Sublingual	\$177 – \$530
Suboxone Sublingual Film buprenorphine 2mg/ naloxone 0.5mg	OUD	Yes	Sublingual	\$180 – \$647
Butrans Transdermal Patch Weekly 5mcg/hr	PAIN	Yes	Transdermal	\$600 – \$1,139
Belbuca Buccal Film 75mcg	PAIN	No	Buccal	\$485 – \$1,194

It is important to note that, any of these formulations of buprenorphine may be used off-label to treat either OUD or pain. According to our data, average prescribing per year for spending for all formulations has remained relatively flat over the past five years. However, those formulations with an approved indication for pain outnumber those for OUD by 4 to 1.

When used for its clinically appropriate intention as part of a treatment program for opioid misuse, buprenorphine can be highly effective drug therapy with the long-term potential to help reduce dangerous opioid drug use and reduce spending.

The reason buprenorphine deserves increased attention and oversight is due to the risk of misuse it represents. In the absence of other opioids, buprenorphine can act on the same receptors and deliver similar effects as opioids such as OxyContin. In workers' compensation, buprenorphine use should be carefully monitored to ensure it is being used appropriately.

It is important to note that, despite the cost of buprenorphine and the potential for misuse, it and other medication-assisted treatments (MATs) for OUD are associated with a decrease in overdose risk. However, in 2021, there were 107,000 overdose deaths, of which 75% were related to opioids, but only 22% of patients with OUD received MAT.²



Opioids and Patent Extensions

Although there is broad awareness of the opioid crisis that has resulted in over a decade of intervention to reduce overutilization, misuse and spending, many pharmaceutical companies continue to engage in practices specifically designed to increase revenue from this drug class. Specifically, certain manufacturers have discovered and exploited loopholes in patent protection laws that have caused delay in the introduction of lower-cost generics.

Patent protection laws exist to encourage innovation, providing manufacturers an incentive for the substantial investment required in the research and development (R&D) of new technology and products. This is particularly important in pharmaceuticals, where the research and development costs required to invent a truly new therapy and bring it to market can be astronomical. While beneficial from an R&D standpoint, if a manufacturer seeks ways to extend patent protection to continue profiting off well-established drugs, it can cause unneeded distortion and price increases in the drug market.

With opioids, pharmaceutical companies regularly reformulate old drugs, such as oxycodone, hydrocodone and even fentanyl, to be able to continue selling them at higher-cost brand-name rates. For example, the workers' compensation and general pharmacy markets have been anticipating a generic version of OxyContin to come on the market as early as 2024. However, according to recent reports, continued reformulation to extend patent protections has now resulted in another delay until at least 2027.



Opioids are traditional prescription drugs that have been on the market for decades. In the case of morphine, versions of this drug have existed for more than a century. There is almost no category of traditional medications that has seen the influx of new “brand only” drugs more than opioids.

The table below highlights several reformulations since 2009, such as extended-release tablets and abuse-deterrent versions.

DRUG NAME	APPROVED	BRAND AWP	GENERIC AVAILABL	COMMENTS
Onsolis (fentanyl buccal souble film)	2009	N/A	N/A	Discontinued 2011
Exalgo (hydromorphone hydrochloride extended-release tablets)	2010	\$24.35	Yes	Extended-release hydromorphone
Nucynta ER (tapentadol extended-release oral tablets)	2011	\$46.65	No	Extended-release tapentadol for pain
Oxaydo (oxycodone)	2011	\$19.26	No	Immediate-release oxycodone utilizing abuse-deterrent technology
Embeda (morphine sulfate and naltrexone extended-release capsules)	2014	N/A	N/A	Discontinued 2019
Morphabond (morphine)	2015	N/A	N/A	Discontinued 2019
Zohydro ER (hydrocodone)	2015	\$12.20		See below*
Xtampza ER (oxycodone)	2016	\$23.82	No	Extended-release oxycodone with abuse-deterrent properties

*Extended-release hydrocodone for pain. Product contains hydrocodone as a single ingredient, which is unusual since hydrocodone is typically combined with non-opioid analgesics such as acetaminophen or ibuprofen; promoted as a safer product since it does not contain acetaminophen. However, removal of the acetaminophen actually removed the dose limit imposed by that drug and allowed potentially higher doses of hydrocodone to be prescribed, which created other risks.



3. Developing an Effective Opioid Management Strategy

Opioids continue to be a widely prescribed drug class and may be necessary drug therapy for injured workers, particularly on a short-term basis. Because of the high risk of misuse and potential for dangerous overdoses, especially when used in combination with other drug classes, opioids will continue to be a major focus area requiring careful monitoring and oversight.

Key strategies and partnerships designed to help clients better identify and understand opioid usage patterns among injured workers are critical to reducing opioid misuse and unnecessary spending. For managing opioids, an effective approach should include a combination of clinical monitoring, opioid weaning programs, behavioral care and drug testing.



Clinical Monitoring and Intervention

From both a spending and utilization standpoint, support from dedicated clinical pharmacists can help plan managers and claims professionals identify potential issues, including dangerous drug combinations, expired prescriptions, multiple prescriptions and high-risk prescribing patterns, which can put injured workers at risk. Additionally, clinical pharmacists can identify emerging trends and monitor the generic approval pipeline to ensure payers make timely formulary updates if generic opioid equivalents come to market. By intervening with the prescribing physician and discussing alternate therapies, workers' compensation programs can increase safety and improve outcomes while reducing spending.



Opioid Weaning

Any workers' compensation pharmacy portfolio should have a plan in place to ensure that workers who do require prescription opioids will also be weaned off them when the therapy is complete. For the vast majority of patients, opioids are intended to be used on a short-term basis. Many cases of prescription-related opioid misuse occur because prescriptions are not discontinued, and patients are not weaned off pain medication in a timely manner.

The 2022 CDC Clinical Practice Guideline for Prescribing Opioids for Pain recommends tapers of 10% per month or slower for patients taking opioids longer than one year. This is a significant departure from previous definitions of compassionate weaning, which considered 10% per week to be acceptable. This change is an important factor for any payer considering weaning as a preliminary step to preparing a master service agreement (MSA), especially when combined with the possible need for medication-assisted treatment.

Opioid Use Disorder: Diagnostic Criteria³

- Taking opioids in larger amounts or over a longer period of time than intended
- Having a persistent desire or unsuccessful attempts to reduce or control opioid use
- Spending excess time obtaining, using or recovering from opioids
- Craving opioids
- Continued opioid use causing inability to fulfill work, home or school responsibilities
- Continuing opioid use despite having persistent social or interpersonal problems
- Having lack of involvement in social, occupational or recreational activities
- Using opioids in physically hazardous situations
- Continuing opioid use despite awareness of persistent physical or psychological problems
- Exhibiting tolerance symptoms, as defined by either of the following:*

 - » A need for markedly increased amounts of opioids to achieve intoxication or desired effect
 - » Markedly diminished effect with continued use of the same amount of an opioid

- Exhibiting withdrawal symptoms, as manifested by either of the following:*

 - » Experiencing the characteristic opioid withdrawal syndrome
 - » Taking opioids (or a closely related substance) to relieve or avoid withdrawal symptoms



OD is manifested by at least 2 out of 11 defined criteria occurring within a year. Severity of OD is determined based on the number of criteria met.

Severity
Mild: 2–3 criteria
Moderate: 4–5 criteria
Severe: 6+ criteria

*Tolerance and withdrawal are not considered to be met for those taking opioids solely under appropriate medical supervision.



Behavioral Care

Behavioral care shows promising results for helping patients overcome opioid use disorder and wean themselves off medication. For injured workers dealing with long-term opioid misuse, or those at risk for misuse, behavioral interventions, including cognitive behavioral therapy and family counseling, can be critical steps toward overcoming use of this drug class.

In fact, treatment recommendations for OUD by the American Society of Addiction Medicine include assessment of a patient's psychosocial needs and the offer of psychosocial treatment when appropriate. However, if a patient declines such treatment, MAT for OUD should not be delayed or cancelled.

In addition, these patients or their caregivers or significant others should be provided training on the **appropriate use of naloxone**, now available over the counter as Narcan nasal spray.



Drug testing

Yet another important consideration from an analytic standpoint is drug testing, which can help reconcile prescription data with actual usage statistics. Accurate information and data in this category can help payers and program managers gain clarity and respond more appropriately to opioid use among injured workers.



Conclusion

The opioid misuse crisis continues to negatively impact the lives of patients while costing our health care system billions of dollars. For workers' compensation, this is especially evident among those injured workers categorized as legacy claims. It is important for pharmacy management programs to continue managing opioid utilization and controlling spending for clients.

In the third part of this series, we will reexamine the current state of specialty drugs, a category that has become a rapidly growing cost driver in workers' compensation pharmacy. By taking a closer look at when specialty drugs are most commonly used in workers' compensation and the potentially cost-saving role of biosimilars, we can help workers' compensation claims professionals properly manage this complex category.



Working together, working for better

Learn more about our Workers' Compensation products and solutions at: myMatrixx.com.

Sources

1. National Institute for Occupational Safety and Health. "Data on Opioids in the Workplace." Centers for Disease Control and Prevention (CDC). Page last reviewed February 24, 2023. <https://www.cdc.gov/niosh/topics/opioids/data.html>
2. National Institute on Drug Abuse. "Overdose deaths involving buprenorphine did not proportionally increase with new flexibilities in prescribing." National Institutes of Health. [Press release]. January 20, 2023. <https://nida.nih.gov/news-events/news-releases/2023/01/overdose-deaths-involving-buprenorphine-did-not-proportionally-increase-with-new-flexibilities-in-prescribing>.
3. CDC. "Opioid Use Disorder: Preventing and Treating." Page last reviewed February 1, 2023. <https://www.cdc.gov/opioids/healthcare-professionals/prescribing/opioid-use-disorder.html>