Workers' Comp

Unpacking Drug Trends: Costs, Care and What's Next

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Tom Kerr (TK): Updated pharmaceutical data is critical to understanding trends and containing workers' comp costs. So as Enlyte releases part two of the 2025 Drug Trends Report we have Cameron Hannum, PharmD, senior clinical account pharmacist, here to unpack some fascinating trends he's seeing across both in-network and out-of-network prescription channels.

OK, Cameron, so let's look at overall market trends. The report mentions that NSAIDs have overtaken opioids as the most prescribed therapeutic class for the first time in recent history. What's driving this trend and what does it tell us about changing approaches to pain management?

Cameron Hannum (CH): Thanks, Tom. NSAIDs are non?steroidal anti?inflammatory drugs, and the findings represent a significant milestone in workers' compensation pharmacy management.

So opioid utilization continued its downward trend, declining 5.5% with MED per prescription dropping around 3%. So, overall, positive trends. And the percentage of injured workers using opioids decreased around 20%, with high?dose opioid prescriptions falling a little over 10%.

And the shift here reflects successful clinical programs promoting evidence?based pain management. There's a multimodal approach combining NSAIDs, anticonvulsants, select agents within that therapeutic class and topicals, and they're becoming more of the standard practice for pain management in lieu of the opioids.

And this aligns with a lot of what we're seeing in terms of regular regulatory changes and clinical guidelines emphasizing non?opioid alternatives. So, it's a positive trend to be seeing.

TK: The report shows an astonishing 530% increase in migraine medication utilization and a 545% increase in cost. What's driving this explosive growth? And are these treatments delivering appropriate value for injured workers?

CH: Well, migraine treatments represent a major shift towards newer, what are referred to as, CGRP inhibitors, like the injectable Aimovig and Emgality. You also have oral agents as well, like popular Nurtec oral disintegrating tablets or Ubrelvy.

And these are biological medications that block a protein called CGRP and that stands for calcitonin gene? related peptide. It's a bit of a mouthful, which is why it's referred to as CGRP. And that's a protein in the body that is released during a migraine attack. And that contributes to the pain and the inflammation that is experienced by activating nerves in the brain.

So, these medications were introduced around 2018, and they're increasingly prescribed for various headache conditions. The injectables are what are referred to as monoclonal antibodies and what we classify as a true specialty medication. And the orals are commonly referred to as gepants. But whether oral or injectable, both of these formulations are designed to block or neutralize these CGRPs, thereby preventing and treating migraine? related pain. Common indications include post?concussion headaches, occupational environmental exposures, stress?related migraines, things of that nature.

And unlike older treatments, these newer options don't carry some of the cardiovascular risk or dependency concerns of some of the more traditional therapies. Triptans, a common acute treatment, for example, can cause vasoconstriction, increasing the risk of heart attack and stroke. It's contraindicated for people with preexisting cardiovascular disease or risk factors. And that's just one example among many.

These medications do come at a significantly higher price point. So, the cost per claim for migraine medications has jumped by around 20.5% in 2024. And this represents part of a broader shift away from opioid?based pain management, with these treatments becoming more of the first line standard of care for migraines.

So, more expensive but, ultimately, a better therapeutic option oftentimes when you get right down to it. So, I'm sure we will continue to see these when appropriate to the injury for an employee within the space.

TK: OK. And one of the most striking statistics in the report is that opportunistic products represent just 3.9% of prescription volume, but they account for over 20% of total cost. What exactly are these products and what strategies are being implemented to address the obvious cost drivers?

CH: Yeah, sure. Opportunistic products include private label topical analgesics. They're combination products, compound kits, price outliers.

An example of a price outlier would be a boutique dose like ibuprofen, which you can normally get over?the? counter for the 250?milligram strength. And there's a 300?milligram strength that's exorbitantly priced.

We've highlighted these in previous drug trends, so they're not really a surprise from a trend standpoint. But, the private label topical analgesics (PLTAs), specifically continue to be particularly problematic and marketed directly to physicians for dispensing. So, PLTAs average a little over $1,400 per script with close to 89% billed through out?of?network channels.

At this point in time, 24 out of every 1,000 injured workers now use PLTAs. That's a 9.1% increase from 2023. So, these products typically offer no clinical advantage over much more cheaper alternatives. And to give you another example, it is something like a lidocaine 4%, which you can find over?the?counter, combined with

something like Tiger Balm, which many of us are familiar with, or hot pepper powder.

And, again, products readily available over?the?counter traditionally at affordable prices. And instead of paying $15 to $20 per individual product, you're paying $1,500 or $2,000 for one of these combined PLTAs that really, at the end of the day, has questionable safety and efficacy, at best, over the traditional over?the?counter formulations and strengths.

So that is what we're seeing. And the effective management of these requires integration between PBM and bill review systems because the key challenge to these products is that they deliberately bypass traditional clinical controls by going through physician dispensing.

So, either directly from the physician office or we're also seeing from mail?order pharmacies partnering with physician dispensers from what we're able to see within the trends.

TK: And the report highlights significant differences between prospectively and retrospectively managed prescription channels. Can you explain these differences and why they matter for payers trying to control the pharmacy spend?

CH: Yeah, the prospectively managed view or the end network shows claims averaging around seven years in age and around 77% involving multiple fills. And the retrospectively managed view, that's really the out?of?network snapshot. And that shows claims averaging just 2.4 years, so closer 2 1/2 years, with only 31% involving multiple fills.

This suggests that the out?of?network prescriptions often represent more of the acute short?term treatments. But the cost differential is dramatic. Opportunistic products, as we were discussing, they can cost 34% or more when dispensed out?of?network. About 69% of out?of?network prescriptions are one?time fills, creating some visibility channels.

So, traditional PBM approaches tend to miss these one?time episodes where intervention opportunities exist. So, complete visibility across all prescription activity is essential for effective management. And that's where the integration of PBM and bill review systems comes into play, enabling more comprehensive controls.

TK: OK. Now let's talk about topical medications as a cost driver. They now rank in our trends report as the No. 1 therapeutic class by cost, representing nearly 14 percent of out?of?network scripts, but over 40 percent of out?of?network spend. What's behind this disproportionate cost impact?

CH: Yeah, sure. This is something we've been tracking for quite some time. And at this point in time, 137 out of every 1,000 injured workers use prescription topical analgesics in 2024. This represents around a 10% increase from 2023.

And the cost inflation is driven largely by private label products within the space with minimal clinical differentiation. And many of these products contain common over?the?counter ingredients like lidocaine, as mentioned in an example previously, menthol methyl salicylate, those are really like your Tiger Balms. You have capsaicin creams, that's the hot pepper powder.

And there's a shift toward physician dispensing of these products. And, unfortunately, that bypasses the traditional PBM controls that we put in place on the network side. So, the topical category saw a 15.5% increase in cost per claim in 2024. And this was driven by around a 6% increase in utilization and a 9% increase in cost per script. And the trend represents a legitimate move towards non?systemic pain management, but, of course, with significant cost implications.

TK: So, based on these trends, what recommendations would you make the payers trying to balance appropriate care with cost management?

CH: The main thing is to focus on maximizing network capture to ensure clinical controls are applied before dispensing. So, you want to target the almost 4% of prescriptions classified as opportunistic that are driving 20.5% of total costs.

For the sake of time, we didn't really talk about opioids, but that is because we have seen a reduction in utilization there by 5.5%. So you want to continue and stay the course on the successful opioid management programs that are in place and reduce utilization while you implement a targeted management strategies for growing categories like migraine medications. You want to strengthen your generic efficiency beyond the already strong, 89% utilization rate.

And with that, you can expect increased regulatory scrutiny of high?cost, low?volume products. As there's more awareness and noise around these products, you'll want to leverage that and look for stronger network enforcement measures and expanded integration between PBM and bill review with your internal processes and vendors.

You want to develop a targeted approach based on the different characteristics of prospectively versus retrospectively or out?of?network managed patient populations.

TK: Great. Well, thanks for these insights, Cameron. And this comprehensive view across both in?network and out?of?network channels certainly provides a unique perspective on the workers' comp pharmacy landscapes. Any final thoughts before we wrap up?

CH: Well, the most effective pharmacy management requires visibility across all dispensing channels. The success in opioid management demonstrates what's possible with collaborative clinical programs. Emerging challenges like the PLTAs that we were discussing and specialty medications require similar coordinated approaches.

And the 34% cost difference between channels for identical products highlights why that integration matters. So, organizations focusing solely on in?network penetration, they can miss significant cost management opportunities.

And, we would recommend focusing efforts on integration and retrospective or out?of?network management within patient populations and program designs as things continue to evolve within the space.

TK: Thanks, Cameron. And we'll be back with another "Enlyte Envision" podcast soon. Until then, thanks for listening.

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