



## Trends shaping workers' compensation and auto no-fault

A 2019 mid-year review of the prevailing industry  
influences impacting claim outcomes

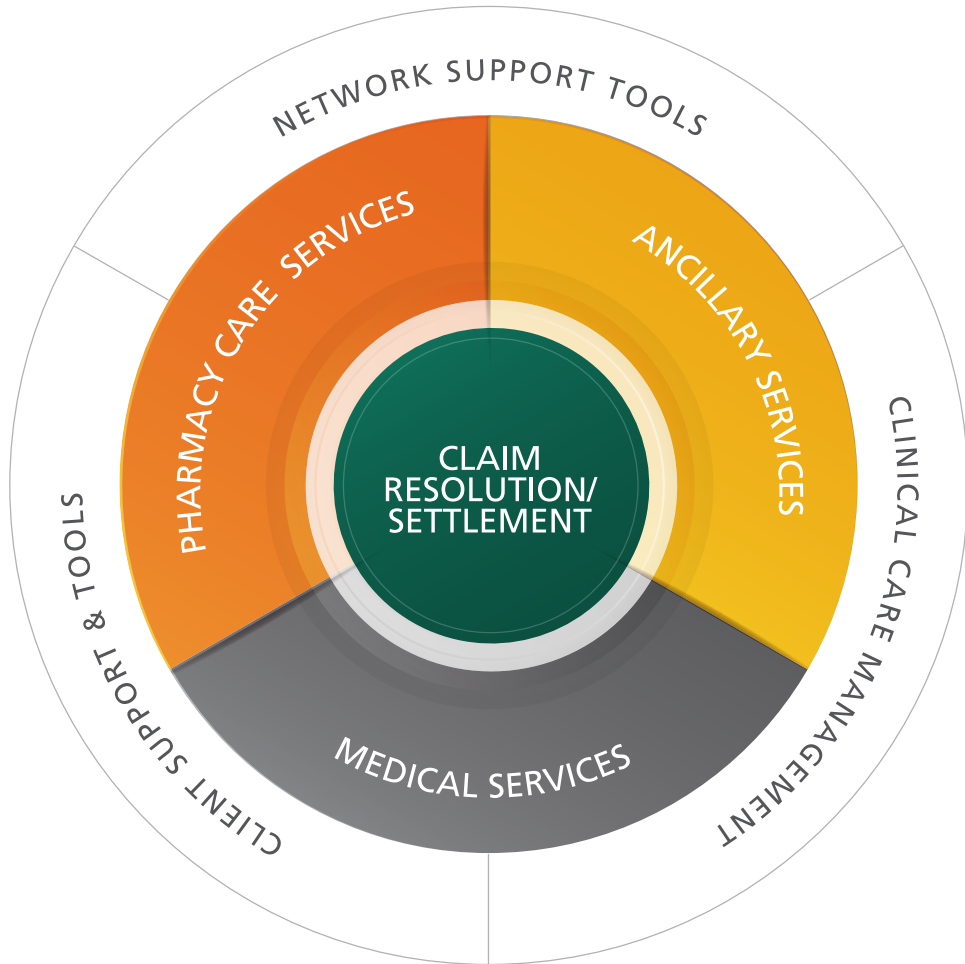
## OPTUM TOTAL CARE MANAGEMENT PROVIDES A HOLISTIC VIEW OF A CLAIMANT'S TREATMENT AND CARE

As a leader in the workers' compensation and auto no-fault industries, Optum strives to make sure that every claimant receives the right pharmacy, ancillary and/or medical service treatment at the right time and for the right duration from the first treatment through claim resolution or settlement.

From the services you need, to the systems you access and the information that drives decisions, Optum delivers a simple process, clear recommendations, and evidence-based guidance.

Grounded in a foundation of network management, clinical care, and information access through our appropriate client support tools, the Optum Total Care Management solution goes beyond simple transactional savings and looks at the claimant's treatment holistically. By managing all aspects of medical care for a claimant, Optum can help ensure the level and timing of care are appropriate, effective and drive to the best outcome at the lowest possible cost.

With the Total Care Management solution as our guide, the following is a snapshot of outcomes for January to June of 2019 in each of our service lines with commentary on how change in one area may impact another.



## PHARMACY CLAIM DATA

January - June 2018 vs. January - June 2019

In year to date 2019, pharmacy spend and number of prescriptions both continue to decline at 8.7%, there was slight increase in the average claim age that influenced the modest 2.0% increase in utilization. However, our programs have helped to nearly maintain the average prescription cost per claim with only a slight increase of 0.5%.

And while we saw fewer new claims/injuries and overall faster resolution of those claims, our analysis shows that older claims are more influential to overall costs than in the past. Older claims generally have higher utilization of medications and use higher-cost medications including opioid analgesics. Our clinical programs, trends analysis and claim management tools have helped to keep utilization of these older claims in check and to decrease the total cost per claim by 6.4%.



↓ **8.7%**  
Pharmacy spend



↓ **8.7%**  
Number of prescriptions

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↑ **2.8%** Average Wholesale  
Price inflation

↑ **2.0%** Change in utilization

↓ **4.3%** Change in product  
and claim mix

↑ **0.5%** Average prescription  
cost per claim

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↑ **~6 MONTHS**

Average claim age  
(4.96 years to 5.40 years)

CLAIMS LESS THAN ONE YEAR  
DECREASED ALMOST TWO  
PERCENTAGE POINTS FROM  
50.9% TO 49.1% OF CLAIMS

## OPIOID ANALGESICS

While opioid analgesics remain the most frequently prescribed therapeutic class in the management of workers' compensation claims, both in terms of the percentage of total spend and the total number of prescriptions dispensed, the total percentage of opioid prescriptions dropped to 25.2%.

And while fewer overall claimants are taking opioids as treatment, those that are, are from older claims, which typically indicates chronic pain treatments and a greater days' supply per claim.

Despite the influence of older claims, the daily morphine equivalent dose (MED) per claim decreased by 4.4%, or below 60 for our book of business. These reductions are due in part, to their use by clients, of our strong clinical programs and data-driven analytics that target claims with high opioid use. Once identified, we intervene as necessary on these claims, including efforts promoting greater prescriber and claimant awareness of the risks of opioid use.



ONLY 32.5% OF CLAIMS IN THEIR FIRST SERVICE YEAR RECEIVED AN OPIOID PRESCRIPTION AS COMPARED TO 57.3% OF CLAIMS OLDER THAN 10 YEARS.

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# 25.2%

TOTAL PERCENTAGE  
OF OPIOID PRESCRIPTIONS



↓ **2.9% PT**

Opioid analgesic spend



↓ **3.4% PT**

Number of claimants  
using opioids

↑ **1.4%**

Change in utilization

↑ **0.7%**

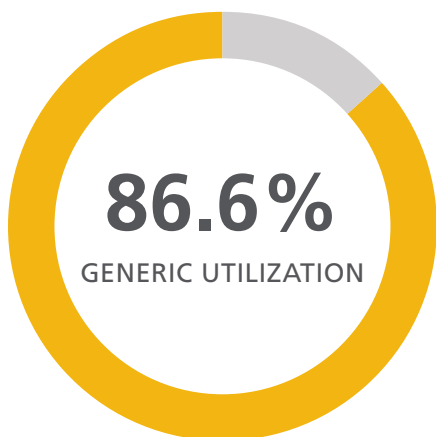
Opioid analgesic  
prescriptions per claim

↓ **4.4%**

MED per claim

## GENERIC UTILIZATION

Our clinically-based, Pharmacy & Therapeutic (P&T) Committee managed formularies and appropriate DAW alerts have helped us increase generic utilization and reduce the economic burden of pharmacy spend on a claim. Through the first half of 2019, our **generic utilization reached 86.6%**, an increase of 0.4% over 2018. **Generic efficiency remains strong at 99.8%**, a year-over-year marker of formulary adherence.





## COMPOUNDED MEDICATIONS

↓ **26.6%**

Compound prescriptions

↓ **17.8%**

Compound utilization

As a percentage of total prescription utilization, our compounded medication management efforts continue to drive low in-network dispensing. Through June of 2019, compounded medications make up only 0.8% of prescriptions and 0.2% of pharmacy spend.

## SPECIALTY MEDICATIONS

↓ **0.7%**

Specialty claims

↑ **4.9%**

Specialty utilization

Specialty medications represent 1.4% of claims and 5.2% of total spend. Most of the specialty medication spend increase continues to be attributed to the rising cost of antiretroviral medications; particularly Truvada<sup>®</sup> (emtricitabine-tenofovir disoproxil fumarate), Isentress<sup>®</sup> (raltegravir potassium) and Tivicay<sup>®</sup> (dolutegravir sodium). These medications are used to help prevent the transmission and to reduce the progression of human immunodeficiency virus (HIV) infection after an accidental exposure, especially in first responders and health care workers.

## A SNAPSHOT OF DATA AND OUR ANALYSIS OF 2019 THUS FAR

Through analysis of our pharmacy data January to June 2018 vs. 2019, at a high level, we are seeing fewer claims, fewer opioids, a slight increase in prescription cost per claim and a increase in claim age.

While lower opioid utilization can be attributed to the use of clinical programs, incorporation of state regulations and increasing public awareness of their risks, we know that people are still suffering from pain and we anticipate that prescribers and claimants will turn to alternative pain control treatments. We are seeing the impact of this in all of our services lines.

**Ancillary Services:** We anticipate an increase in ancillary therapies such as physical therapy, TENS units, behavioral therapy, chiropractic care and others to help claimants control their pain and to help payers control costs.

**Medical Services:** With our exclusive access to the UnitedHealthcare workers' compensation network, OneNet, we continue to enhance our PPO network to drive industry-leading, competitive savings and penetration. As the sole distributor of the OneNet network in 11 states, we are working to expand into other states. This network of specialists, clinics, hospitals and other providers will help us provide the appropriate treatments to claimants to help them control pain and recover. We continue to improve our provider demographics and communication and have a 99% provider accuracy for defined specialties.

**Settlement Solutions/Claim Resolution:** In 2019, our **number of settlements increased by 4,953**, or 53.5% and the value of these settlements increased by over \$358 billion, or 69.5%. While the number of settlements increased, Medicare Set-Aside (MSA) counts and their value decreased slightly by 2%. Following our trend, our MSA data had a moderate decrease in prescription value (-6%) and a moderate increase in hospital and other treatments (8%). Plus, CMS approved values for the average MSA hospital and treatment increased 15.2%, while the average MSA prescription value dropped 16.7%.





#### **About Optum Workers' 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](mailto:expectmore@optum.com).

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