



- 1) [Louisiana's Opioid Addiction](#)
- 2) [Adopting a Drug Formulary - HB 592](#)
- 3) [What is the ODG Drug Formulary and How is it Used in Workers' Comp](#)
- 4) [The Role of Diagnosis \(how it will work with the current treatment guidelines\)](#)
- 5) [In Conclusion](#)

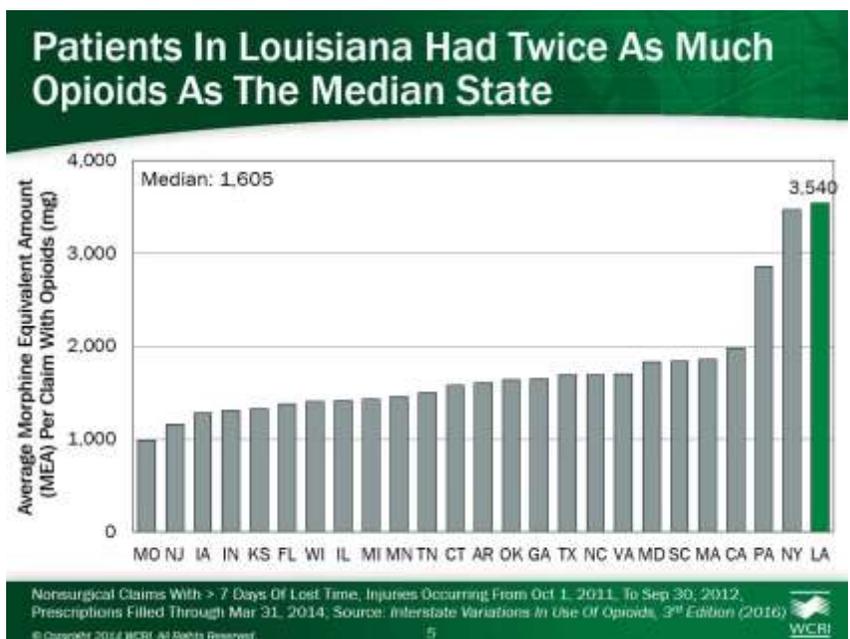
# Putting a Bridle on the Louisiana Opioid Epidemic: The case for a workers' comp drug formulary

## Louisiana's Opioid Addiction

Maybe you saw it on the news. Maybe you didn't have to, because you've already witnessed it – opioid addiction in your patients, your employees, even your family or friends. It wouldn't be a surprise, since Louisiana is one of eight states with more opioid prescriptions than residents, according to Gannett Louisiana and WWL-TV. If you were to compare an opioid epidemic to a runaway horse, then the horse in Louisiana has officially left the barn. The state has the sixth highest prescription-per-capita rate with 1.03 pain-killer prescriptions written per Louisiana resident in 2015.

According to the Centers for Disease Control and Prevention, nearly half of all U.S. opioid overdose deaths involve a prescription opioid, and in 2015, more than 15,000 people died from overdoses involving prescription opioids. Besides overdose, addiction and abuse are also potential dangers. In 2014, almost two million Americans abused or were dependent on prescription opioids, and every day, over one thousand people are treated in emergency departments for misusing prescription opioids.

In workers' compensation, the situation is especially dire. A study by the Workers Compensation Research Institute (WCRI) showed that patients in Louisiana received twice as many opioid prescriptions as the median state in the study for non-surgical workers' comp claims. The study also found that 85% of injured workers with pain medications received opioids, and one in six injured workers who were prescribed opioids received them on a long-term basis, making Louisiana the highest among study states for long-term opioid use.



What the study also found was that the states with the greatest decline in average opioid use between claims from 2010-2012 versus 2012-2014 were the states that were making major reforms such as requiring use of prescription drug monitoring programs, treatment guidelines, and drug formularies.

The Louisiana Office of Workers' Compensation Administration Medical Advisory Council enacted rules in 2009 for the state to begin using a version of the Colorado treatment guidelines, which was intended to improve quality of treatment for injured workers and safeguard against risky inappropriate care, but it has not led to meaningful reductions in narcotic prescriptions. That could be for a host of reasons, including the possibility that the treatment guidelines, which do not include a

Drug Formulary, do not go far enough. Still, abandoning the current guidelines is not immediately necessary to model other successful states in reining in the excessive prescribing of opioids and other high risk prescription drugs.

### **Adopting a Drug Formulary - HB 592**

Louisiana legislation in the form of HB 592 was proposed in early 2017 to adopt the ODG Formulary for Workers Compensation. This is the most important workers' compensation legislation since 2009. While there are several bills trying to address opioid overuse, along with one general formulary bill, HB 592 offers the only proven solution to Louisiana's workers' compensation opioid epidemic by naming the ODG Formulary.

For example:

- ODG Pharmacy Formulary is the only nationally recognized formulary that is used by multiple states;
- ODG Pharmacy Formulary is updated on a regular basis – no other national formulary is updated as often as ODG. This saves the OWCA from the cost and responsibility of having to update the formulary – something they have no experience, funding nor staff to handle;
- ODG Pharmacy Formulary will dovetail with current Louisiana Medical Treatment Guidelines helping to ensure injured workers receive evidenced-based care and pharmacy;
- ODG Pharmacy Formulary is the most comprehensive formulary and will help to strengthen the current Louisiana Medical Treatment Guidelines;
- ODG Pharmacy Formulary will prevent injured workers from being prescribed harmful narcotics unless medically necessary and then it will limit the time those drugs can be prescribed; and
- ODG Pharmacy Formulary will increase the Louisiana RTW rate by reducing the addiction rate to harmful narcotics.

Noting also the documented successes with the ODG Formulary in the neighboring state of Texas, this is the best next step to protect injured workers against the epidemic of life-altering opioid abuse. The lives of too many Louisianans are at stake to use anything but a proven method.

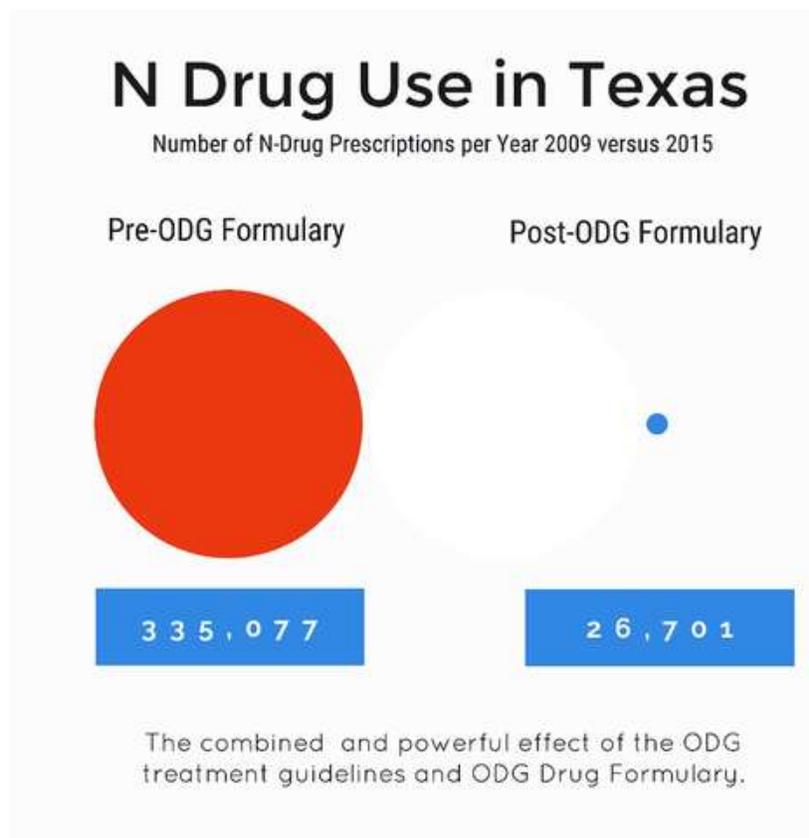
Just under a decade ago, in 2007, the Texas workers' comp system was one of the nation's "most costly, least satisfactory and least effective systems," according to the Texas Medical Association.



The difference between then and now is night and day, and Texas stakeholders attribute that success to the reforms which included adopting the ODG treatment guidelines in 2007, followed by the ODG Drug Formulary in 2011. In terms of the impact on opioid use, the adoption of a formulary is commonly credited as the basis for the successes along with effective supporting regulations.

A recent independent analysis of Texas pharmacy data by the Texas Department of Insurance Workers' Compensation Research and Evaluation Group entitled, "[Impact of the Texas Pharmacy Closed Formulary](#)," (July 2016) showed that since the adoption of the closed formulary:

- Prescriptions for opioids on the N-drug list dropped 81 percent;
- The number of claims receiving N-drug opioids with 90 morphine milligram equivalent doses per day decreased from almost 15,000 in 2009 to less than 500 in 2015;
- The use of other opioids fell by 8 percent; and
- Costs for drugs that are not recommended (N drugs) fell by 80 percent.



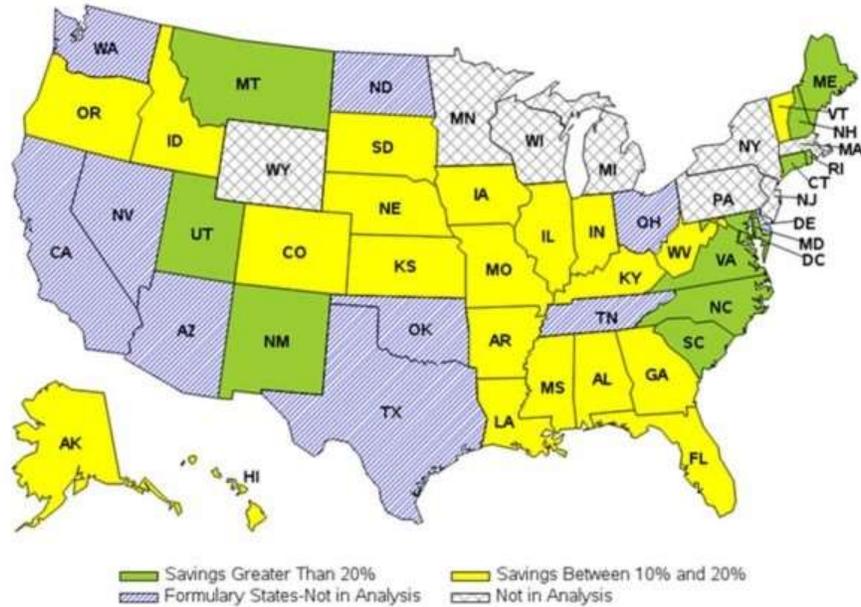
While Texas led the way, it's no fluke. Other states that followed Texas in adopting the ODG Drug Formulary, such as Oklahoma, Tennessee and Arizona, are beginning to see similar results. Providing inappropriate care to injured workers when there are better options is a failure of the system. It's important to note when tracking costs that declining costs for medically inappropriate drugs is reflective of a decline in prescriptions, which, in turn, means that less dangerous drugs are being used by injured workers.

Along those lines, in terms of projected financial results, a WCRI study entitled, "[Impact of a Texas-Like Formulary in Other States](#)" (June 2014), examined how a Texas-like closed drug formulary might affect the prevalence and costs of drugs in 23 other state workers' compensation systems that do not currently have a drug formulary and showed that if physicians in those 23 states were to change their prescribing patterns like physicians in Texas, they could reduce their total prescription costs by an estimated 14-29 percent. Non-formulary drug prevalence was estimated to drop from 10-17 percent to 3-5 percent of all prescriptions, particularly in states where non-formulary drugs were most common, such as Louisiana (second only to New York).

Also, the National Council on Compensation Insurance (NCCI) reported in its Research Brief, "[Workers Compensation and Prescription Drugs: 2016 Update](#)," that, in many states, "the introduction of the ODG formulary has the potential to reduce WC prescription drug costs by 10% or more." The graphic below shows NCCI's estimates for potential drug cost savings from the ODG formulary for the majority of states included in the analysis.

# ODG Formulary Could Reduce WC Rx Costs by 10% or More

Potential Rx Cost Savings From ODG Formulary



NCCI analysis based on Medical Data Call, for prescription drugs with a National Drug Code provided in Service Year 2014. The ODG Drug Formulary is a product of the Work Loss Data Institute. Data used with permission. Formulary States—Not in Analysis are states with a formulary as of July 1, 2016.

## What is the ODG Drug Formulary and How is it Used in Workers' Comp?

The ODG Drug Formulary is a list of drugs commonly used in workers' comp, which are classified as Y (preferred) or N (Non-preferred) drugs based on the evidence based medicine, their proven effectiveness and stringent review by ODG's medical advisory board and P&T review. The list of formulary drugs is posted for reference at no charge on the state workers compensation agency webpage and is updated monthly. Reasonable prescribing options for opioids and muscular skeletal medications are included on the Y preferred drug lists. Additional drugs which are non-preferred (N) drugs are available with appropriate documentation of medical necessity.

Injured workers are generally entitled to any drug or treatment that can be medically substantiated and causally related to the accepted condition(s). The formulary is simply a means of transparently bucketing prescriptions into levels of review for authorization (fast track versus needing detailed medical substantiation) to safeguard injured workers against higher risk or unnecessary medications. This affords all injured workers equal access to medications regardless of employer, insurer, or pharmacy benefit managers (PBM). Delivery of effective lower risk medications (Y drugs) is expedited while decreasing costly layers of processing and review.

On the other hand, if the physician feels it is medically necessary to prescribe a non-preferred (N) drug, the need for prior authorization is known up-front without surprises, frustrations and delays associated with denials of medications by the pharmacies. The formulary and regulations provide a

fast-track to expedite approvals of non-preferred drugs, transparently identifying what needs to be documented and the method to do so.

Medical providers are thereby empowered in their decision making with evidence to support appropriate prescribing of dangerous and addictive opioids – and putting a bridle on prescribing makes all the difference. Prescribers report that this takes the medical provider out of the “hot seat” when dealing with inappropriately demanding patients. The formulary and associated regulations further protect uninformed patients from the inappropriate or excessive prescribing by outlying medical providers.

On the contrary, what we are witnessing in Louisiana is that an untethered quick-fix for pain management is what leads to the runaway horse of inappropriate prescribing by some medical providers resulting in addiction and destroyed lives.



### **The Role of Diagnosis: How the Formulary Will Work with Louisiana’s Current Treatment Guidelines**

There is general confusion in the marketplace between a formulary and treatment guidelines. For example, ODG (like most guidelines) has medication prescribing criteria within its treatment guidelines, but not within its formulary. The formulary listing of drugs is effectively a look-up tool to translate the guideline’s discussions to a list of drugs by name and class. The prescribing criteria covers diagnosis, adverse effects, indications, contraindications, duration and dose. ODG users (mainly providers and payors) can click on links from the formulary in order to view the full guidelines text which contains extensive information on the drug in question, as well as the evidence for other relevant treatments. The use of ODG is permitted and currently used by many stakeholders under current Louisiana regulations to supplement the state specific guidelines.

The Louisiana treatment guideline criteria would be applied by the prescribing medical provider in making clinical care and prescription decisions, supplemented by the evidence based medicine associated with the formulary. This would further apply on the back end through the utilization review and appeals processes.

On the retail pharmacy level, prescriptions are presented for fill and are generally submitted for approval to PBMs under both workers’ compensation and group health insurance coverages. Retail Pharmacists are not in a position to apply treatment guidelines and patient selection criteria to his or her customer. Absent a PBM, the retail Pharmacist simply needs to know if the prescribed drug is a preferred drug (Y), or if it is not (N), in which case it will need prior authorization. It is important to remember that the retail Pharmacist is not generally aware of the patient’s diagnosis, history, comorbidities, demographics and/or other factors. The binary indicator of Y or N would simply be used to identify the need for potential preauthorization. Issues of insurance coverage and causal

relationship of prescribed medications to a specific “accepted” injury or condition is a coverage issue, not a formulary issue.

Formulary rules need to be a simple tool to make it easier to prescribe and authorize the appropriate medications while safeguarding against delivery of higher risk, potentially life altering medications without proper substantiation of need. While Y drugs may not require preauthorization, under certain circumstances they may still be subject to review for prolonged or inappropriate use with decisions made according to criteria in Louisiana’s guidelines.

### **In Conclusion**

The Louisiana workers’ compensation population has a documented serious life altering problem with opioids and other high risk medications. As other states have proven, adopting a drug formulary is a necessary piece of the puzzle. Louisiana is in a position to quickly adopt and successfully implement a drug formulary with simple regulatory or legislative initiatives, as have been achieved in other jurisdictions. Recent proposed legislation and regulations to adopt the ODG Drug Formulary could and should save lives and bridle the runaway horse of unintended prescription drug abuse by injured workers and inappropriate prescribing by select prescribers.