

# Impact of the Texas Pharmacy Closed Formulary

A Preliminary Report  
Based on 6-month Injuries with 9-month Services

June 2013



**Texas Department of Insurance**

**Workers' Compensation Research and Evaluation Group**

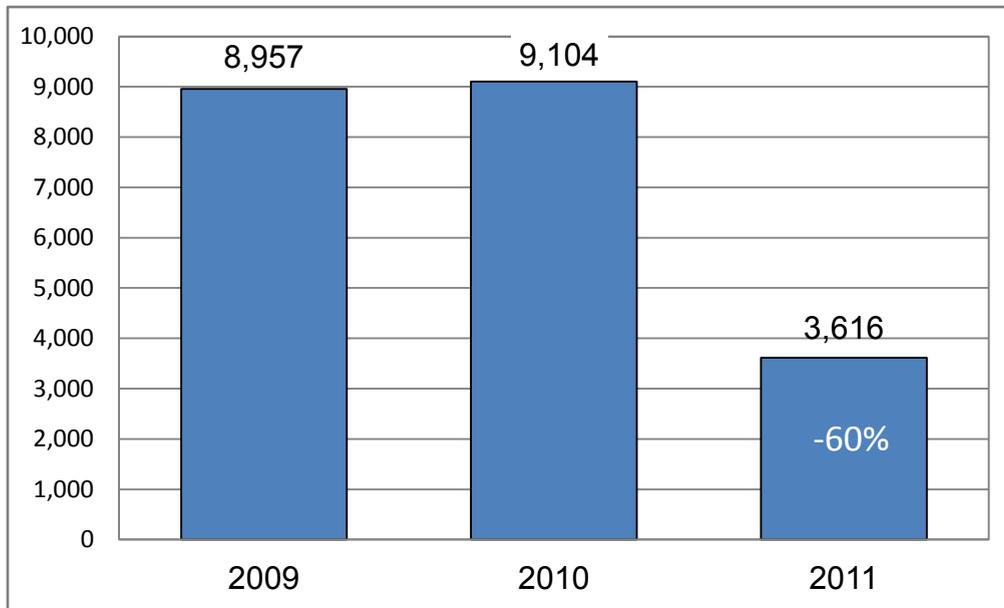
# Data and methods

- Injury months: September – February
- Injury years: 2009 – 2011
- Injury year 2011 (Sept. 2011 – Feb. 2012): new injuries that occurred after the implementation of the pharmacy closed formulary
- Nine months maturity per claim
- N-drug list: approximately 150 drugs that require carrier preauthorization.

# N-drugs

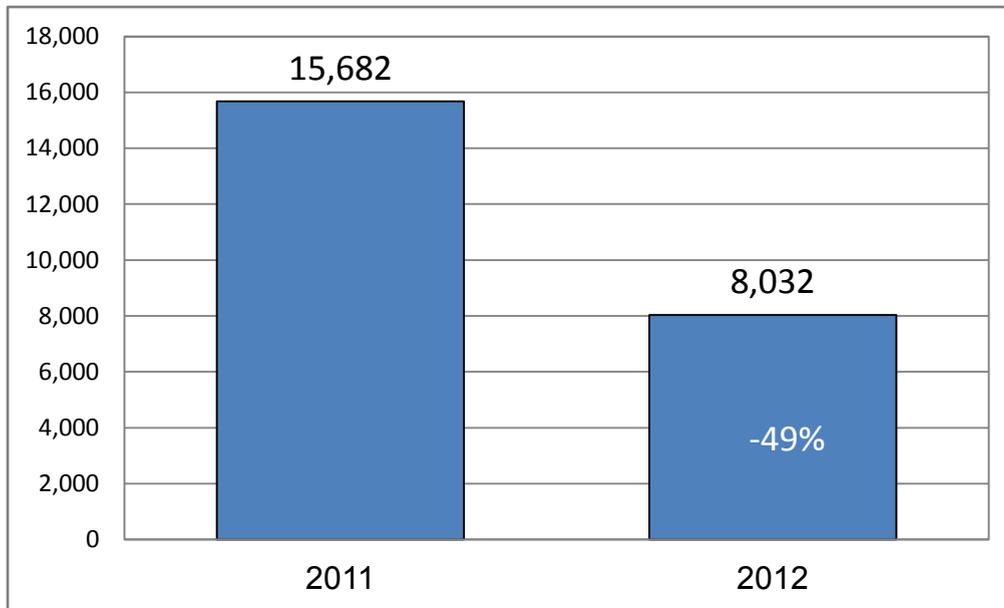
- Key measures:
  - Claim counts
  - Prescription utilization patterns
  - Prescription costs
  - Prescription days
  - Generic substitution rates
  - Most prescribed drugs

# Number of N-drug claims, by injury year (Sept-Feb)



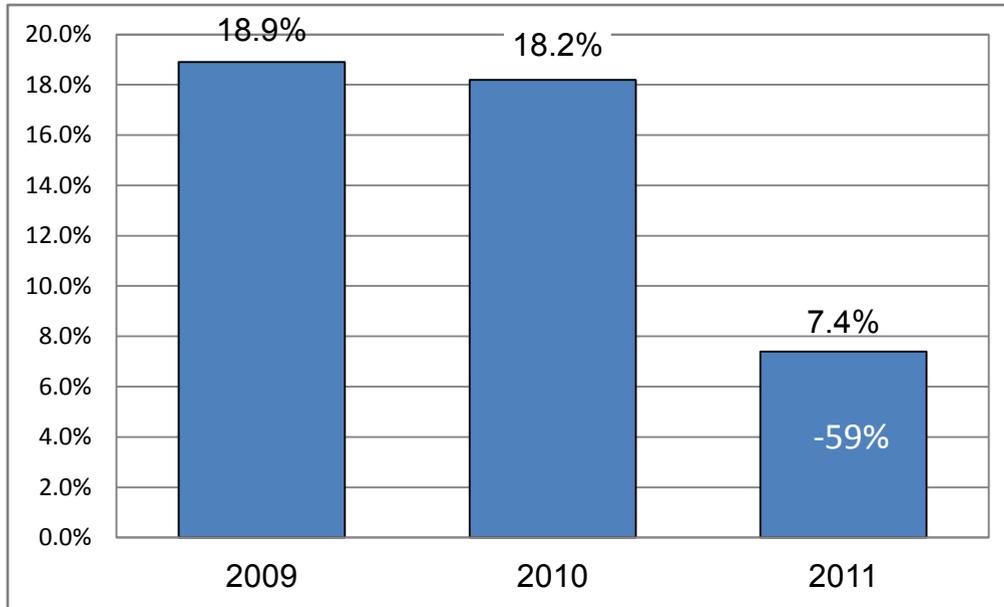
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Number of legacy N-drug claims, by prescription year (Sept-Dec)



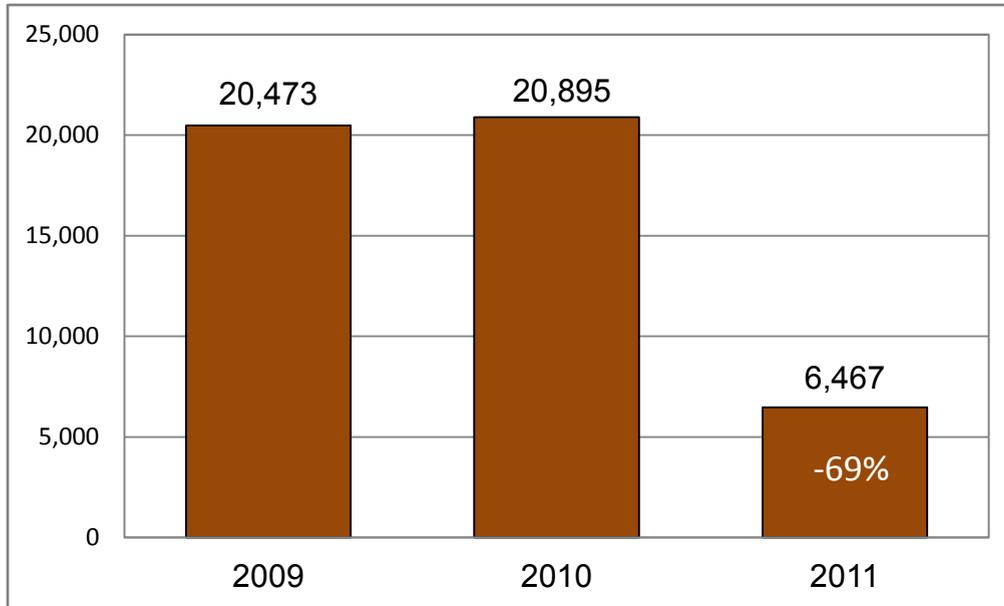
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drug claims, as a percentage of all claims, by injury year (Sept-Feb)



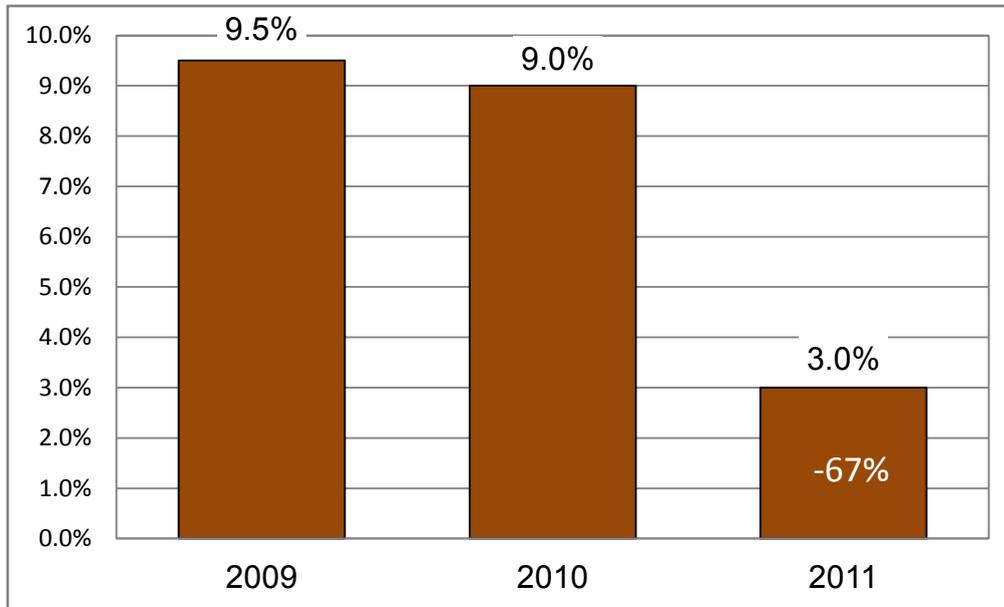
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Number of N-drug prescriptions, by injury year (Sept-Feb)



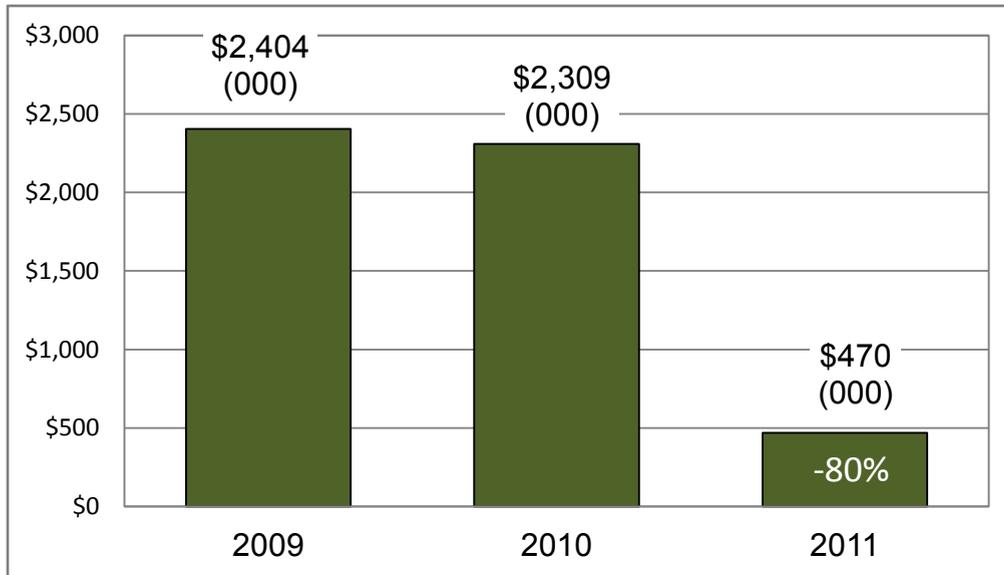
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drugs as a percentage of all prescriptions, by injury year (Sept-Feb)



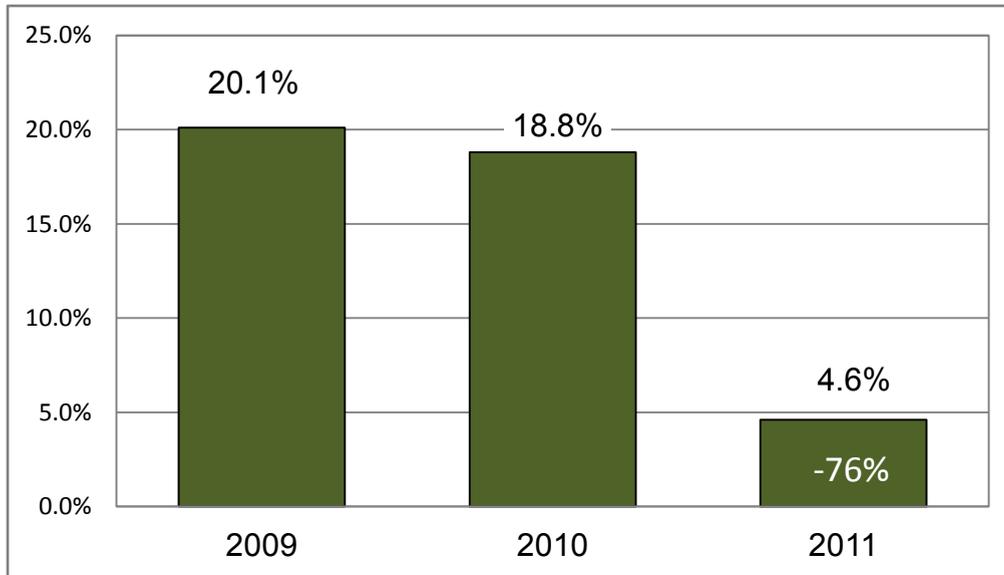
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drug costs, by injury year (Sept-Feb)



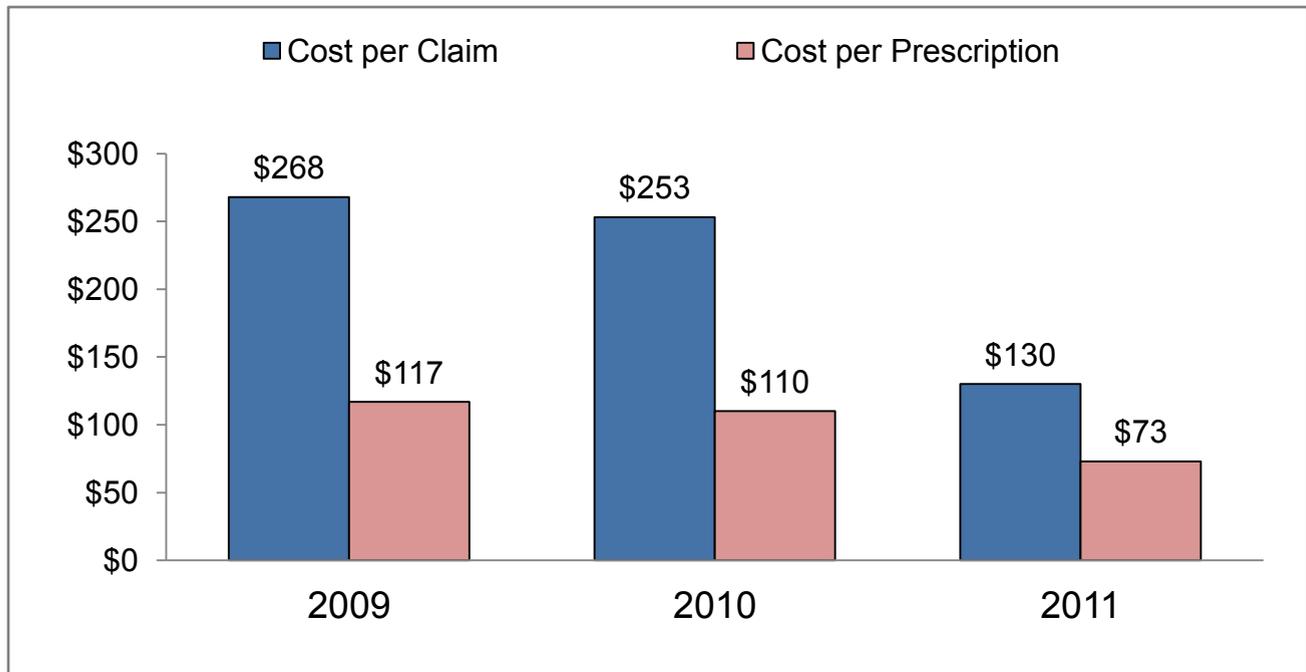
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drug costs as a percentage of total drug costs, by injury year (Sept-Feb)



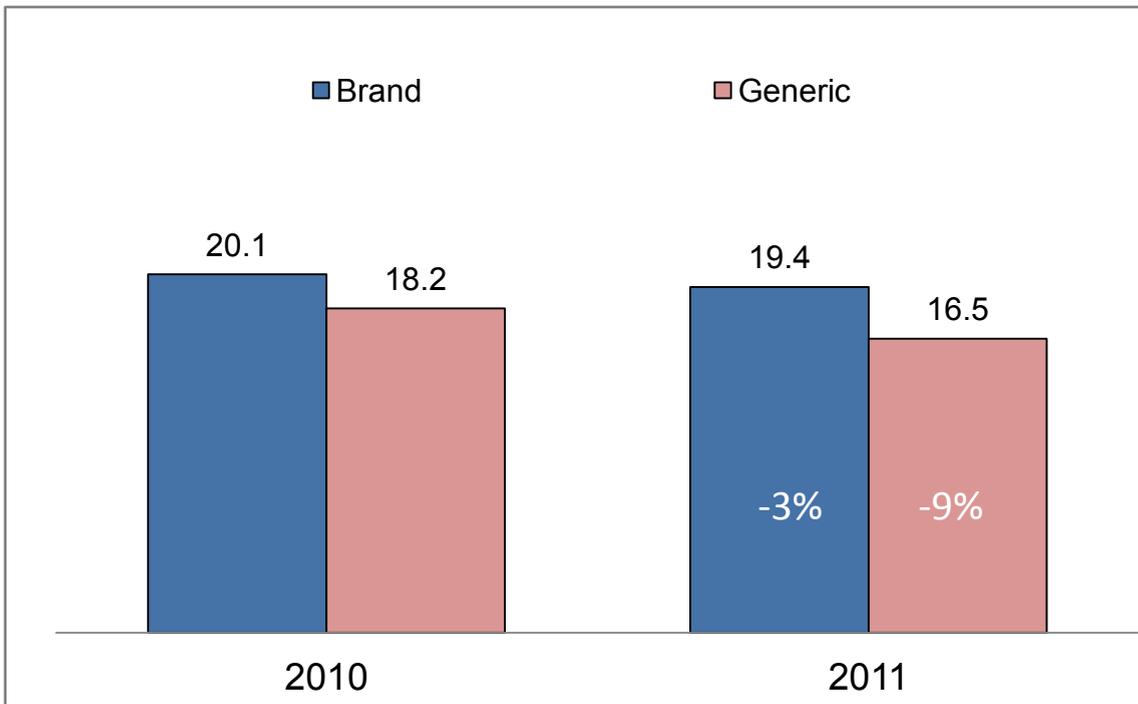
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drugs: Average costs, by injury year (Sept-Feb)



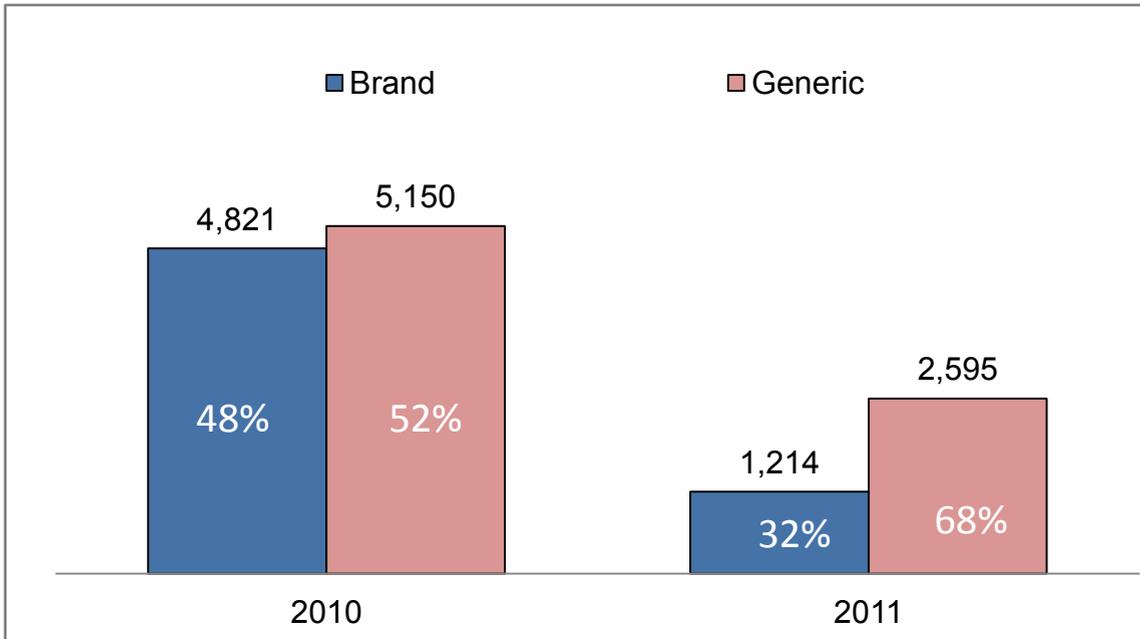
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Average number of N-drug prescription days, by injury year (Sept-Feb)



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# N-drug generic substitution, by injury year (Sept-Feb)



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Ten most frequently prescribed N-drugs, by injury year (Sept-Feb)

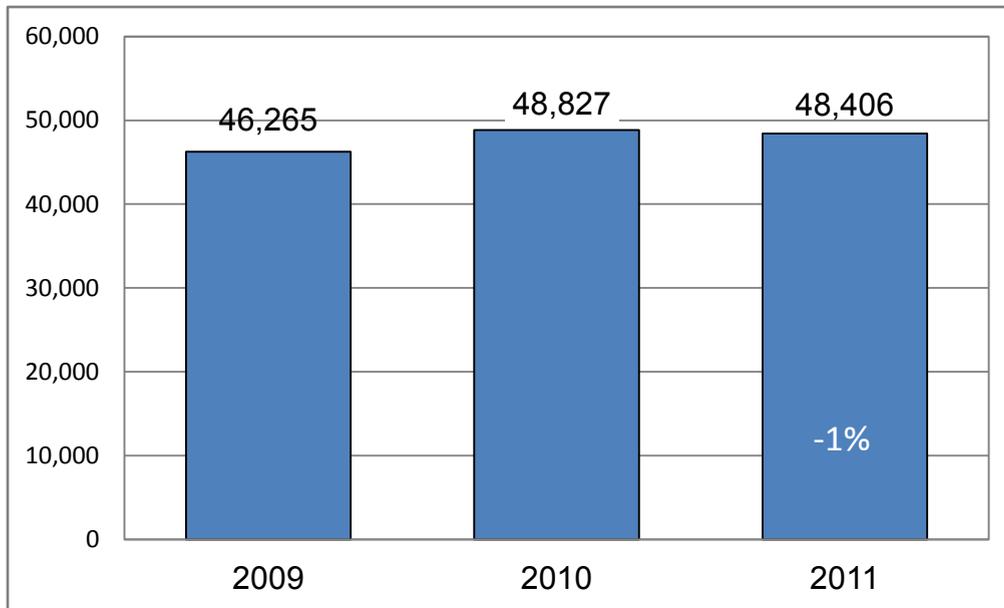
Rank by Number of Prescriptions	Drug Name	Drug Group	Number of Prescriptions 2010	Number of Prescriptions 2011	2010-2011 Percentage Change
1	CARISOPRODOL	Musculoskeletal Therapy Agents	2,699	499	-82%
2	DICLOFENAC	Analgesics - Anti-Inflammatory	1,800	1,221	-32%
3	ZIPSOR	Analgesics - Anti-Inflammatory	1,698	338	-80%
4	AMRIX	Musculoskeletal Therapy Agents	1,629	15	-99%
5	NAPRELAN	Analgesics - Anti-Inflammatory	1,360	130	-90%
6	LIDODERM	Others	1,149	313	-73%
7	DIAZEPAM	Central Nervous System Drugs	1,051	320	-70%
8	FLECTOR	Others	908	144	-84%
9	HYDROCOD/IBU	Analgesics - Opioid	864	351	-59%
10	ORPHENADRINE	Musculoskeletal Therapy Agents	640	394	-38%
Total	—	—	13,798	3,725	-73%

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drugs

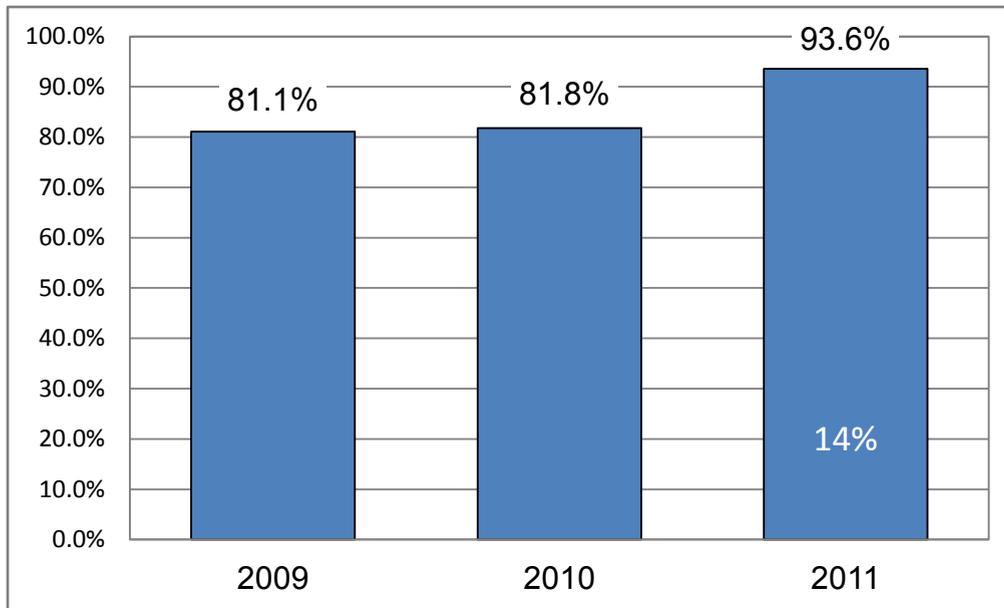
- Key measures:
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# Claims with prescriptions for Other drugs, by injury year (Sept-Feb)



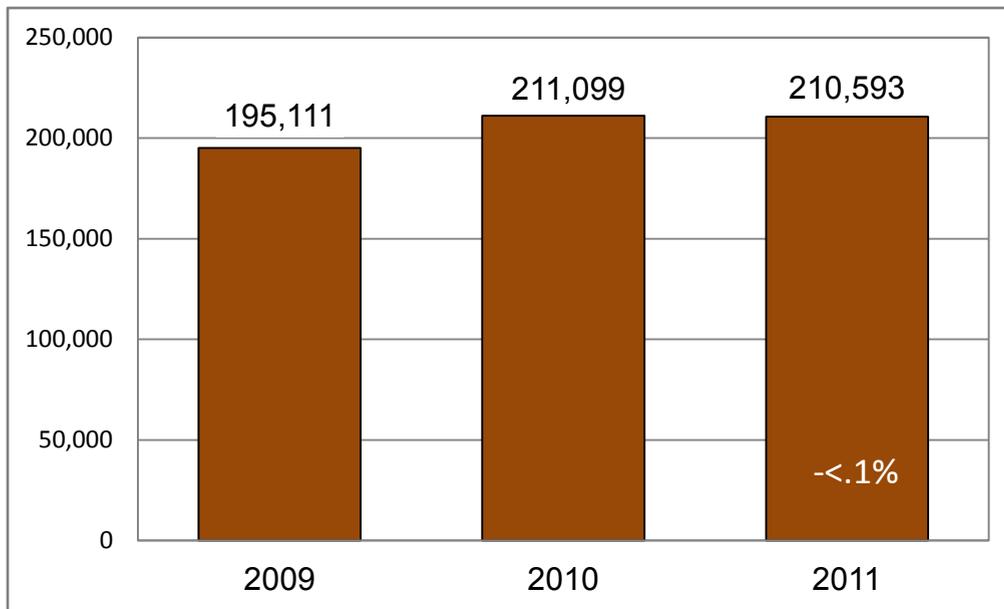
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Claims with only Other drugs as a percentage of all claims, by injury year (Sept – Feb)



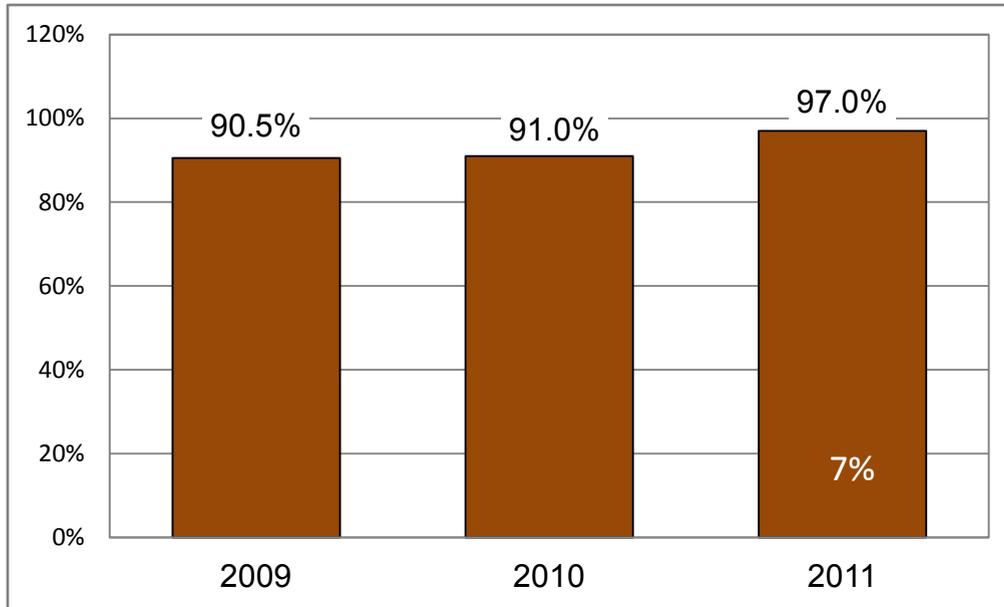
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Number of prescriptions for Other drugs, by injury year (Sept-Feb)



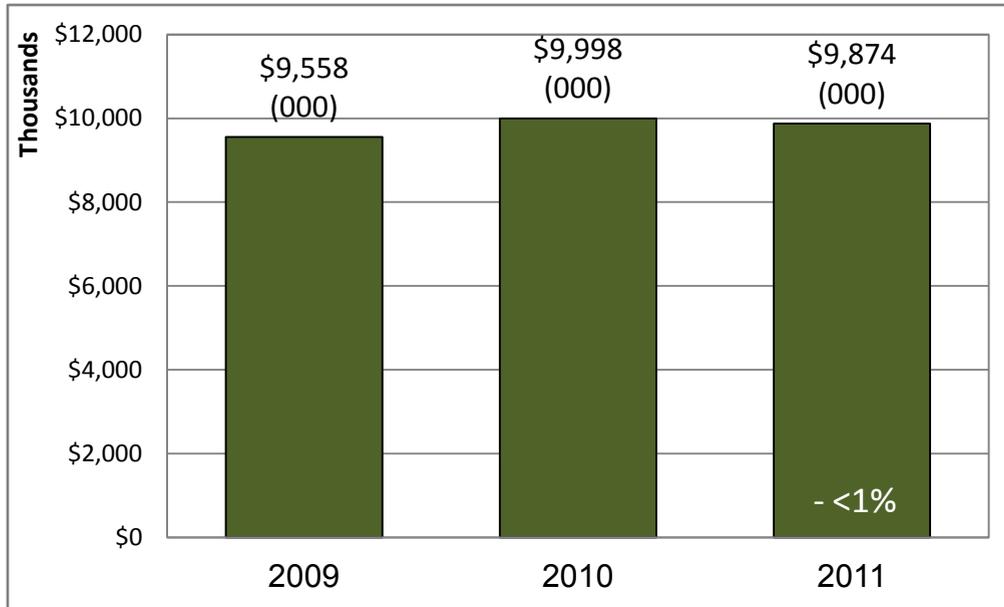
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drugs, as a percentage of all drugs, by injury year (Sept-Feb)



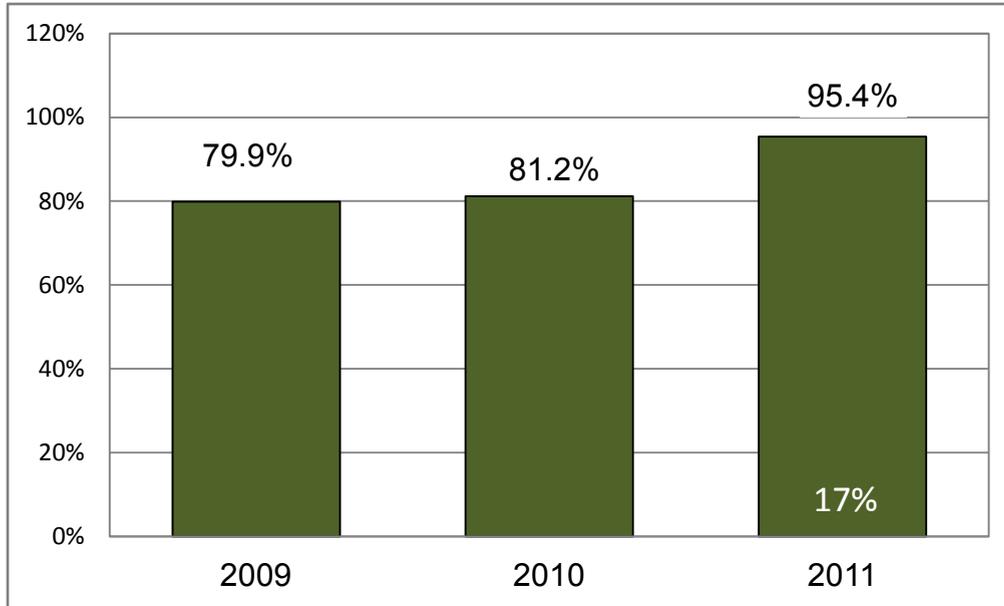
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drug costs, by injury year (Sept-Feb)



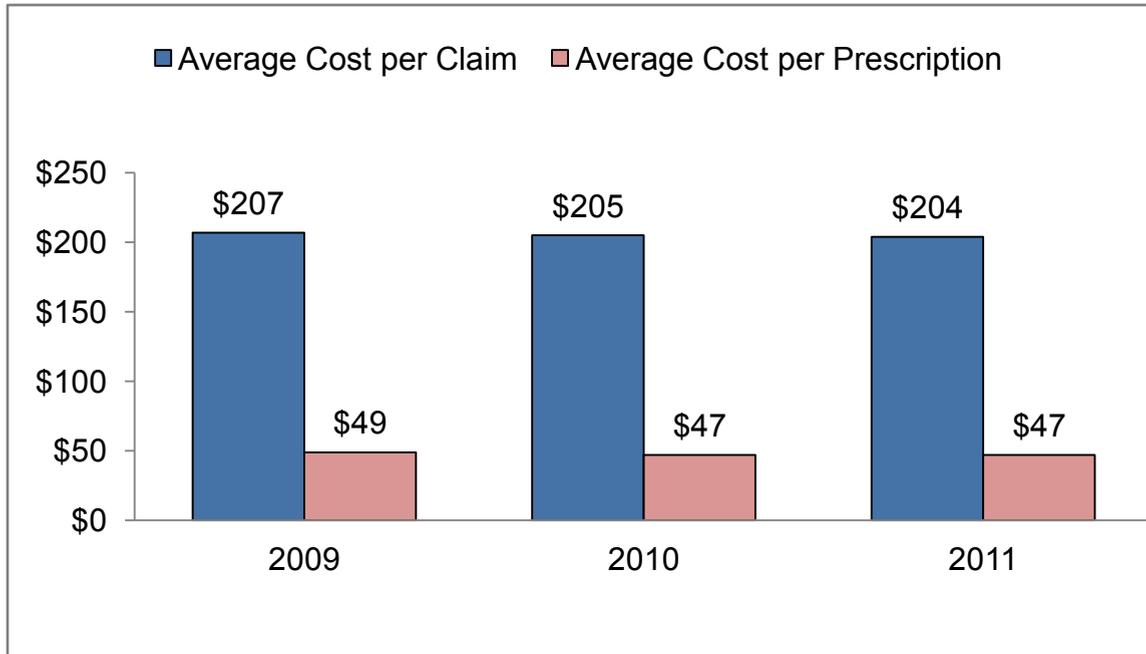
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drug costs as a percent of total drug costs, by injury year (Sept-Feb)



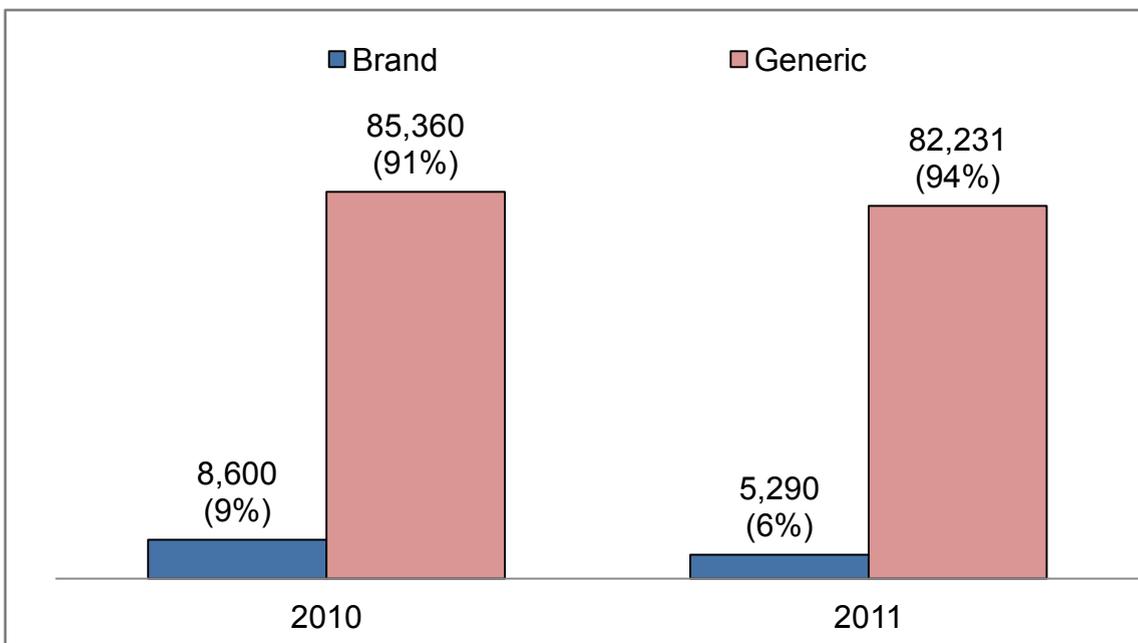
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drugs: average costs, by injury year (Sept-Feb)



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Other drugs: generic substitution, by injury year (Sept-Feb)



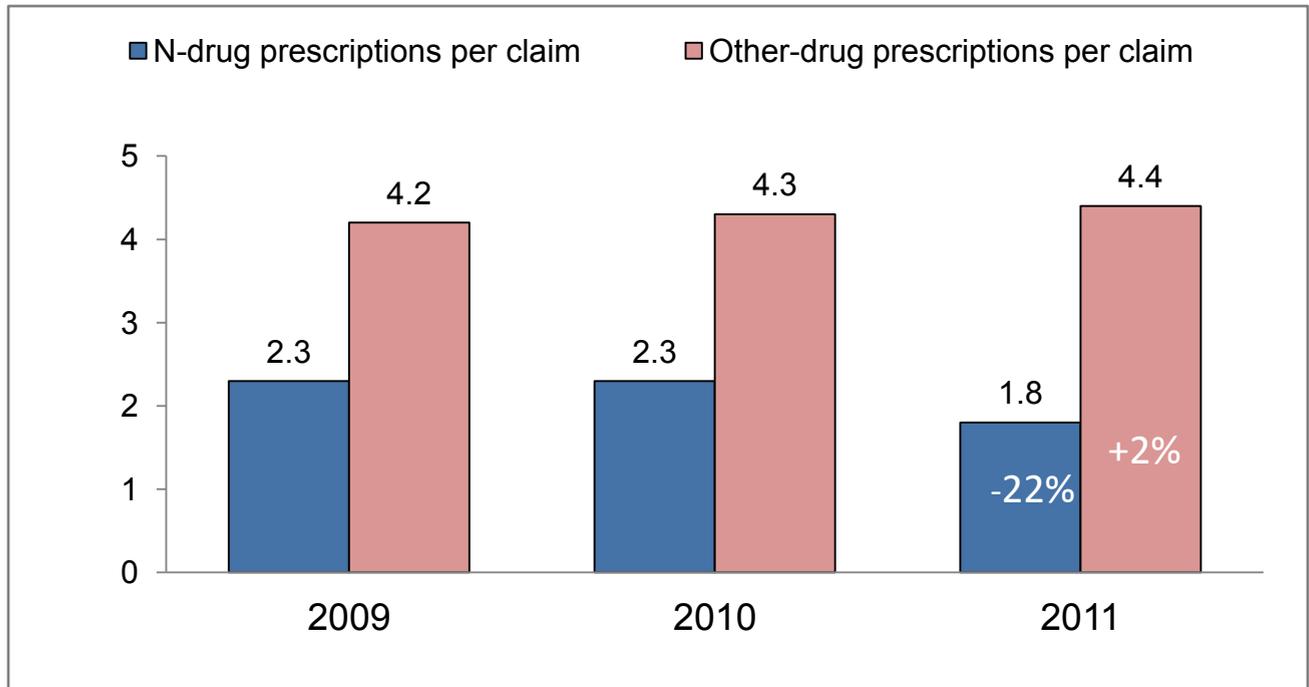
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Ten most frequently prescribed Other drugs, by injury year (Sept-Feb)

Rank by Number of Prescriptions	Drug Name	Drug Group	Number of Prescriptions 2010	Number of Prescriptions 2011
1	HYDROCO/APAP	Analgesics - Opioid	51,540	48,832
2	CYCLOBENZAPR	Musculoskeletal Therapy Agents	19,925	21,783
3	NAPROXEN	Analgesics - Anti-Inflammatory	18,786	19,417
4	IBUPROFEN	Analgesics - Anti-Inflammatory	17,208	18,924
5	TRAMADOL	Analgesics - Opioid	14,615	16,666
6	MELOXICAM	Analgesics - Anti-Inflammatory	6,492	7,002
7	METHYLPRED	Analgesics - Opioid	4,883	4,586
8	CELEBREX	Others	4,784	3,609
9	TRAMADL/APAP	Others	4,421	4,795
10	METAXALONE	Analgesics - Anti-Inflammatory	4,331	2,998
Total	—	—	146,985	148,612

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Average number of prescriptions per claim, by injury year (Sept-Feb)



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Number of prescriptions by drug group, by injury year (Sept-Feb)

N-drug Status	Drug Group	Number of Prescriptions 2010	Number of Prescriptions 2011	2010-2011 Percentage Change
<b>N-drug</b>	Analgesics - Anti-Inflammatory	6,026	2,091	-65%
	Analgesics - Opioid	2,242	963	-57%
	Central Nervous System Drugs	3,937	1,316	-67%
	Musculoskeletal Therapy Agents	5,160	955	-81%
	Others	3,530	1,142	-68%
	<b>Total</b>	<b>20,895</b>	<b>6,467</b>	<b>-69%</b>
<b>Other Drugs</b>	Analgesics - Anti-Inflammatory	54,928	55,844	2%
	Analgesics - Opioid	76,166	73,057	-4%
	Central Nervous System Drugs	8,351	8,083	-3%
	Musculoskeletal Therapy Agents	31,605	32,185	2%
	Others	40,049	41,424	3%
	<b>Total</b>	<b>211,099</b>	<b>210,593</b>	<b>0%</b>

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2013.

# Summary of key findings

Since the implementation of the Texas pharmacy closed formulary:

- The number of injured employees receiving N-drugs fell by 60 percent.
- N-drug costs, as a percentage of all drug costs fell by 76 percent and N-drug costs fell by 80 percent.
- The number of injured employees receiving other drugs fell by 1 percent.
- The share of N-drug claims among all claims fell by 59 percent.
- The total number of prescriptions for N-drugs fell by 69 percent.
- The number of prescriptions for the ten most-prescribed N-drugs decreased by 73 percent.
- The total number of prescriptions for other drugs decreased, but by less than 1 percent.
- The average number of N-drug prescriptions per claim fell by 22 percent.
- The generic substitution rate for N-drugs increased from 52 percent in 2010 to 68 percent in 2011.