

BWC Pharmacy Program



Bureau of Workers'
Compensation

Prescription drug benefit design,
administration, and management

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Pharmacy Program

- Responsible for coverage of outpatient medication(s) prescribed to treat conditions related to a work injury or illness.
- 27,848 injury claims covered in 2019
- \$53.8M spent on prescription medications in 2019

Pharmacy Program Structure

- BWC Pharmacy Program Department
- Pharmacy Benefits Manager (PBM)
- Pharmacy & Therapeutics Committee (P & T)
- Managed Care Organization – drug utilization reviews
- Rebate Aggregator
- Pricing Consultant

BWC Pharmacy Program Department

Staff

- 2 pharmacists direct and manage clinical aspects
- 2 administrators to manage technical operations
- 4 nurses process medication requests
- 4 support staff to manage help desk and issue orders

Responsibilities

- Process medication authorizations
- Review prescriber compliance with opioid rule
- Issue drug utilization review orders

Pharmacy Benefits Manager

Responsibilities

- On-line, point-of-service drug bill adjudication
- Application of BWC formulary and business rules
- Pharmacy enrollment
- Application of drug pricing
- Reporting
- Help desk available 24/7

Pricing

- Prescription pricing: 100% pass-through model
- Administrative fee: \$15.85 per utilizing member per month and hourly charge for development of new functionality

Prescription Pricing

- Generic-effective rate: average wholesale price (AWP) – 75.6%
 - Maximum allowable cost (MAC)
 - Usual & Customary
 - AWP – 15%
- Brand-effective rate: AWP – 15%

Pharmacy Program Structure

Managed Care Organizations Drug Utilization Review

- Medical management performed by the MCO and BWC to review prescription drugs in a claim.
- Purpose is to ensure reimbursement is only for a prescription drug when it is related to, appropriate, and medically necessary for the treatment of the allowed condition(s) in a claim.

Pharmacy & Therapeutics Committee

- Five to 13 licensed physicians and pharmacists
- Review, analyze, and recommend changes to the outpatient formulary

Pharmacy Program Structure

Rebate Aggregator

- Collect rebates for eligible drugs paid by BWC
- Detailed reporting of rebate payments
- Administrative fee, 5% of rebate money secured on BWC's behalf

Pricing Consultant

- Analytic and consulting services
- PBM prescription data monitoring, PBM compliance with contract pricing, and benchmark pricing

2011 to 2019 Accomplishments

- Established a pharmacy department, P & T committee, and closed formulary.
- Transitioned prior authorization processing from PBM to in-house.
- 60% reduction in prescription spend – from \$134M to \$54M.
- 70% reduction in the number of opioid prescriptions.
- Established requirements for opioid prescribing beyond six weeks from injury.

Contact BWC Pharmacy Department

Questions?

Pharmacy Program Director

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Pharmacy Department

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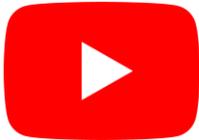
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