Prescription drug benefit design, administration, and management

Miranda Williams, Pharm.D., R.Ph, BWC Pharmacy Program Director
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
**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
Miranda.W.1@bwc.state.oh.us

Pharmacy Department
Pharmacy.Benefits@bwc.state.oh.us
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