

# Workers' Compensation Payor Saves 16% By Decreasing Prescription Costs And Increasing Efficiency



Over the past few years, workers' compensation pharmacy costs have escalated due to increased utilization, rising pharmaceutical prices, frequent interruptions to verify injury and compensability information, and little, if any control of medications provided to newly injured workers. Implementing Fiserv Pharmacy Solutions Workers' Compensation Program can result in decreased costs, enhanced utilization management, financial control, and a number of administrative efficiencies.

## Situation

Despite controls as part of workers' compensation prescription programs, many employers and payors are not achieving anticipated cost savings. Payors attribute prescriptions outside of negotiated pharmacy programs and increasing utilization as primary reasons for not achieving these savings.

Injured worker's routinely don't know or fail to identify the pharmacy program through which to process their prescriptions; therefore, the pharmacy uses a default billing service. Default billing services are unable to apply financial or clinical controls to the prescriptions. Without these controls prescriptions are processed out-of-network and higher priced medications or medications not typical for the patient's injury are dispensed.

The National Council on Compensation Insurance Reports point to utilization as the major force driving increasing workers' compensation drug costs. Increased utilization results from a higher number of prescriptions and more costly prescriptions. Plus higher utilization adds to the operational burden on claims examiners and adjustors.

## Solution

Fiserv Pharmacy Solutions has a contracted managed care workers' compensation pharmacy network of more than 43,000 pharmacy locations and another 21,000 pharmacy locations which utilize Fiserv Pharmacy Solutions as their default billing service. Prescriptions processed and accepted through the managed care network are invoiced at a negotiated rate and prescriptions accepted through the default billing program are discounted.

If a prescription is presented to a pharmacy which is part of the managed care network, propriety software determines if the patient's employer is part of the managed program. If so, the pharmacy is alerted and the prescription is accepted via the managed cost program where financial and clinical edits are applied.

A client specific customized formulary, plan edits, management reporting, and basic drug utilization review provide the client the ability to control financial and clinical edits while simultaneously monitoring drug utilization at the point of fill. In addition, generic substitution and utilization control options enable the client to

monitor, track, and manage generic utilization at the point of dispense, and to require pre-authorization when "Dispense as Written" values fall outside of the accepted range.

To ease operational burden, the client has online access to injured employees' injury and drug utilization data through a secure, password authenticated portal. Examiners can send and receive new injury notifications, pre-authorize pharmacy services, restrict physicians, update claims data and modify claimant status, and can forward this information to customer support staff securely and efficiently. Authorizations and denials of prescription requests are communicated without telephone calls, and claims data is updated immediately, allowing examiners to monitor injured workers' care more thoroughly.

## Benefits

For a recent client, program implementation has resulted in savings of more than \$217,000 or approximately 16 percent of total pharmacy expenditures.

Pharmacy Spend	
Primary Pharmacy Spend	\$888,000
Network Enforcement	\$157,000
Total Network Spend	\$1,045,000
Out-of-Network Spend	\$348,000
<b>Total Pharmacy Spend</b>	<b>\$1,393,000</b>
Payor Savings	
Primary Network Savings	\$134,000
Network Enforcement Savings	\$23,000
Out-of-Network Discount	\$34,800
Paper Conversion Savings	\$5,100
Efficiency Savings*	\$20,500
<b>Total Savings</b>	<b>\$217,400</b>

\*Includes verification, status updates and collection calls

Additional savings will be realized through enhanced utilization management. The client has been able to restrict treatment to authorized physicians, ensure adherence to plan edits including rules associated with new injuries and controlled substances, enforce generic substitution, and enforce that products must be part of the client's formulary or that prior authorization is received before authorizing the prescription.

For more information visit [www.fiservpharmacysolutions.com](http://www.fiservpharmacysolutions.com), or contact 866.515.5535.



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Fiserv Pharmacy Solutions Workers' Compensation Program provides a comprehensive solution for employers and payors to control the care of injured workers while managing and reducing pharmacy related costs.

