

Employer-Sponsored Drug Abuse Revisited

In July 2011, we issued an action alert highlighting the potential dangers of a growing problem involving prescription drug abuse, which impacts benefit plan costs and administration as well as workplace safety.

More than two years later, this continues to be a major issue for employers. While there has been an overall decline in the share of workers testing positive for drugs, a study by Quest Diagnostics revealed there has been a dramatic spike in the number of employees testing positive for highly-addictive drugs, including:

- Vicodin and OxyContin positive results increased 172% and 71%, respectively, from 2005 to last year
- Amphetamines, including Adderall, showed a doubling of positive tests since 2002

Despite the threat posed by the abuse of these drugs to workplace safety, up to 80% of these positive tests may be disregarded because the user has a valid prescription. Plan sponsors have valid concerns about the impacts of abuse of opiates and other prescription drugs, and purchase services including medical management programs and drug utilization reviews designed to protect against overuse of prescription drugs. Many assume that their Pharmacy Benefit Managers (PBMs) are successfully utilizing these tools to identify and halt abuse of these dangerous medications. However, these programs are not fully effective in addressing this challenging problem.

WHAT THIS MEANS FOR YOUR COMPANY

The goal of any company's benefit program should be to manage the underlying conditions while ensuring the delivery of the right care, in the right place, for the right price. Critical to achieving this proposition, a PBM should have processes in place that minimize opportunities for filling addictive prescriptions that could lead to dependency or abuse.

NEXT STEPS

Using the techniques of effective vendor management and engagement to gain transparency on this complex issue, plan sponsors can stem the tide of this problem, mitigating the negative impacts to employee health, workplace safety, and benefit plan performance.

ACTION ITEMS:

- Review your PBM's performance: Are they acting as an effective gatekeeper? Most companies see data on prescriptions that red flag high cost drugs, but do not pay attention to reports on high volume drugs. As one would expect, many prescription drugs that are abusive in nature are high volume, low cost, and can easily fall under the radar of PBM programs.
- Review your agreements: Take time to look at the Service Level Agreements and Performance Guarantees between your organization and its PBM. Are your vendors being held accountable for the services they are providing?
- Pay close attention to how well their system identifies and ultimately reverses Rx's that have: drug interactions, multiple prescribers of opioid medications, prescriptions being refilled ahead of schedule, etc.
- Be proactive: We recommend implementing policies and procedures, internally and with vendors, that will monitor high volume prescriptions more effectively, as well as allow for programs that focus on treating underlying conditions.

ABOUT OPTIMUM

Optimum is a vendor management firm that focuses exclusively on the HR supply chain with turnkey solutions that improve the financial, operating performance, transparency and accountability of HR Benefit programs while still maintaining existing vendor relationships.

Our support of the HR workstream during the M&A lifecycle encompasses operational due diligence, day-one readiness and post day-one synergies. We assist sponsors in leveraging the aggregate purchasing power of their portfolio to capture value and drive margin expansion.