

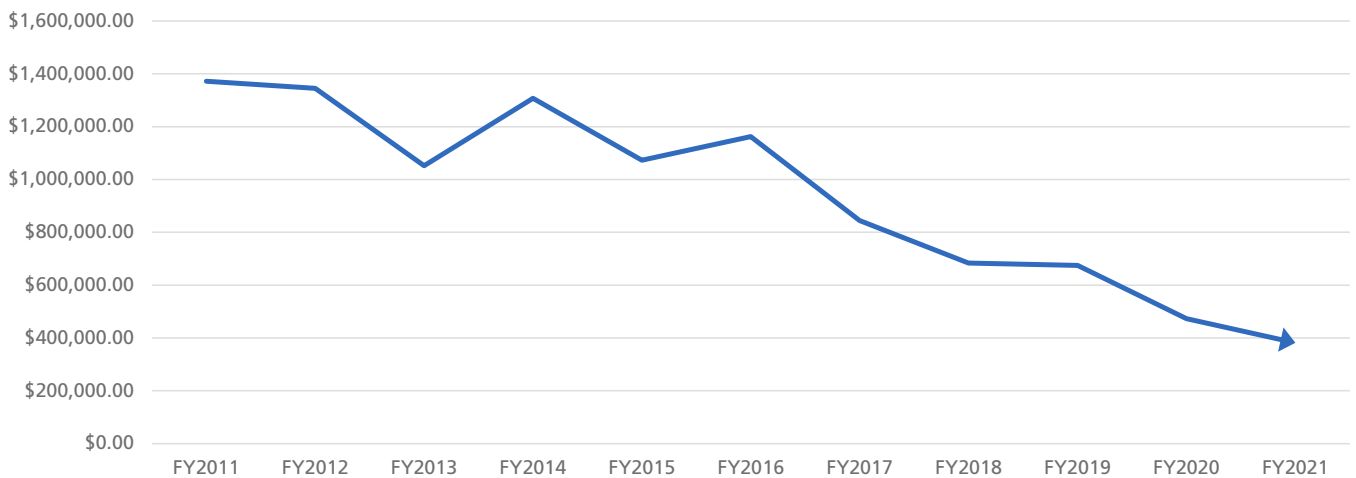
Arkansas Public Employee  
Claims Division saves 72%  
with workers' compensation  
pharmacy program



*"The results have far exceeded our expectations. Spend was at just under \$1.4 million in 2011 without any type of pharmacy program, and we're down to just under \$400,000 in fiscal year 2021. That's total spend on our pharmacy program including the costs of the contracts. I never expected to get beyond a 50% reduction."*

Nathan Culp, Director of Arkansas Public Employees Claims Division (PECD)

Arkansas State Government All Claims Workers' Compensation Pharmacy Expenditures by Fiscal Year FY2011-FY2021



## KEY OUTCOMES

- Total annual pharmacy program spend drops from just under \$1.4 million to under \$400,000 from 2011 through fiscal year 2021
- PECD saves 72%
- Division achieves 99.9% generic efficiency
- Savings per claim increased 22% in five years, 2016 – 2020, after partnering with Optum

## INITIAL CHALLENGE

- Reduce expenses while ensuring the health and safety of injured persons
- Address push-back from physicians due to adjusters handling medication approvals

## SOLUTION AND PROCESS

When the Arkansas Public Employee Claims Division (PECD) began its first pharmacy program in fiscal year 2011 – adjusters handled medication approvals – which caused pushback from physicians. About four years later, PECD leadership solved this challenge by moving to **clinical-based principles** and worked with the University of Arkansas for Medical Sciences, Evidence-based Prescription Drug Program (UAMS EBRx) to create a new strategy for PECD.

### PECD initiates new program structure

- UAMS EBRx would handle formulary development and approvals/analysis of medications for workers' compensation – which its clinical pharmacists were already handling for the state's group health program
- A new pharmacy benefit manager (PBM) would be selected to handle the network, pricing and the pharmacy transaction processing platform, which would be managed through an administrative fee model rather than the existing spread model

PECD evaluated five PBM proposals and Optum Workers' Comp and Auto No-fault won the business and began working with PECD in 2016.

### Optum/PECD partnership milestones

At the program's onset, PECD worked with UAMS EBRx and Optum clinical teams to implement a new custom formulary that would best meet their injured persons' needs.

Also in 2016, additional Optum programs were added, including:

- **Clinical Escalation Alerts:** Notify clients of clinical triggers such as inappropriate use of medications, dosing or duration
- **Clinical services suite:** medication review, medication review with peer-to-peer outreach, drug testing and monitoring service, nurse progress monitoring
- **Fraud Waste and Abuse** – to identify prescribers engaging in “higher than normal” behaviors that may pose a risk to claimant recovery and unnecessarily increase claim cost. (e.g., physician dispensing, Dispense as Written prescribing, targeted high-cost meds, compounds, etc.)
- **Monthly narcotics analysis and a quarterly formulary review** and update
- **Dosage optimization** was implemented at the end of 2016 **for all Lyrica® claimants**. Since then, only 10 prescriptions have been dispensed for claims utilizing two or more Lyrica tablets daily (as of October 2021)

**BY 2017, PECD HAD ACHIEVED 99% GENERIC EFFICIENCY, UP FROM 76% WHEN THEY BEGAN WORKING WITH OPTUM.**

### Technology and program controls deliver substantial gains

The PECD program requires pre-authorization for non-formulary medications. These requests are sent to UAMS EBRx for analysis using the smart routing technology in the Optum VitalPoint® platform.

*“With the Optum network, technology and pricing, we’ve seen a dramatic decrease in our costs. We’re running 99.9% generic efficiency now,”* said Nathan Culp, Director of PECD.

#### PECD’s pharmacy program saved 72% between 2011 and FY2021, which is attributed to:

- Formulary controls
- Dispense limits
- Clinical alerts and pharmacists’ reviews for approval/denial
- Out-of-network bills moving to in-network
- Confirmation of authorized provider

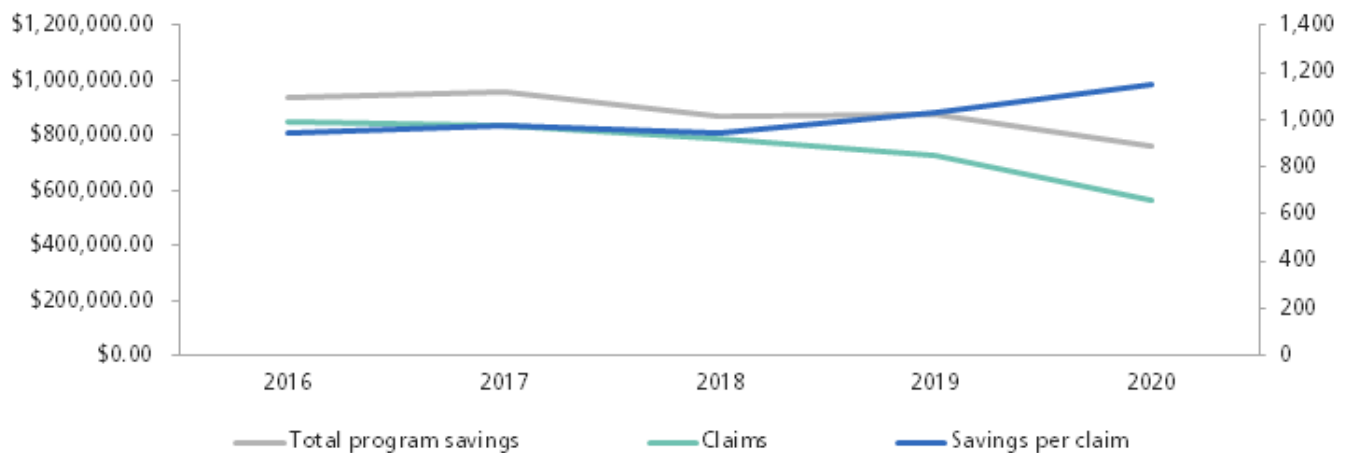
PECD staff members are superusers of VitalPoint and use the platform to ensure prescribers are authorized, thereby reducing medications that should not have been dispensed to almost zero.

Plus, PECD staff use VitalPoint to capture out-of-network paper bills, sending them back through the system for reprocessing. All of the controls combine to produce PECD’s outstanding results.

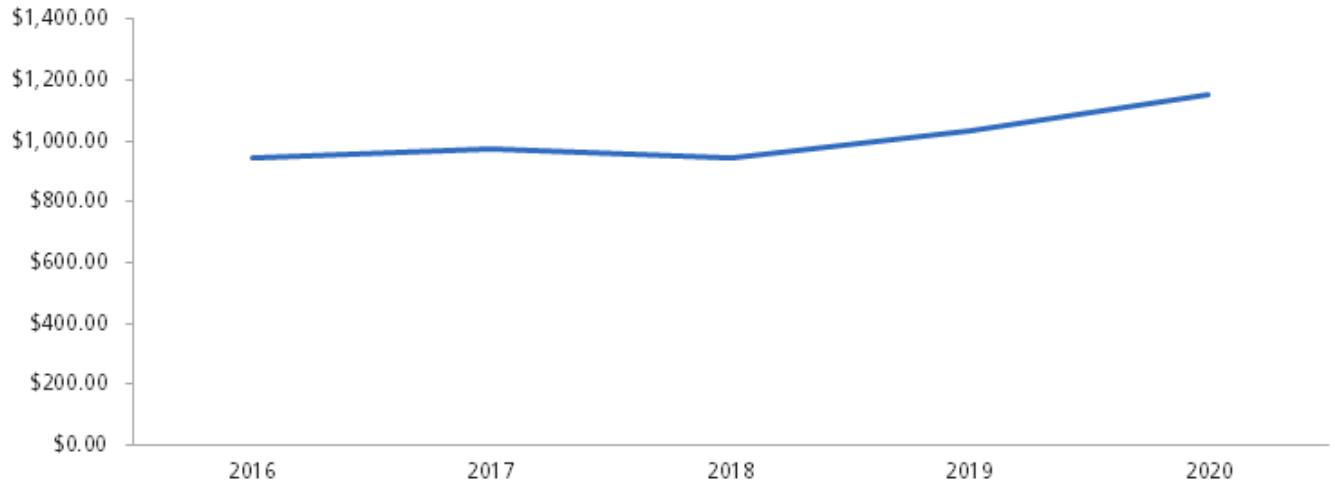
### Optum partnership results

**Overall program spend has decreased 59% from 2016 through 2020.** While the majority of the spend reduction has come from implemented clinical programs, some of the decrease is due to a decline in claims. However, **savings per claim has increased 22% during the five year period from 2016 through 2020.**

Savings per claim / Program Savings / Claims



### Savings per claim



**PECD is delighted with the program's results. "At the foundation of the PECD program is a spirit of partnership and accountability that has been an effective change-maker over the years," emphasized Culp.**

#### About Optum Workers' Comp and Auto No-Fault Solutions

Optum Workers' Comp and Auto No-Fault Solutions collaborates with clients to lower costs while improving health outcomes for the injured persons we serve. Our comprehensive pharmacy, ancillary, medical services, and settlement solutions, combine data, analytics, and extensive clinical expertise with innovative technology to ensure injured persons receive safe, appropriate and cost-effective care throughout the lifecycle of a claim. For more information, email us at [expectmore@optum.com](mailto:expectmore@optum.com).

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