



Regulating Physician Dispensing

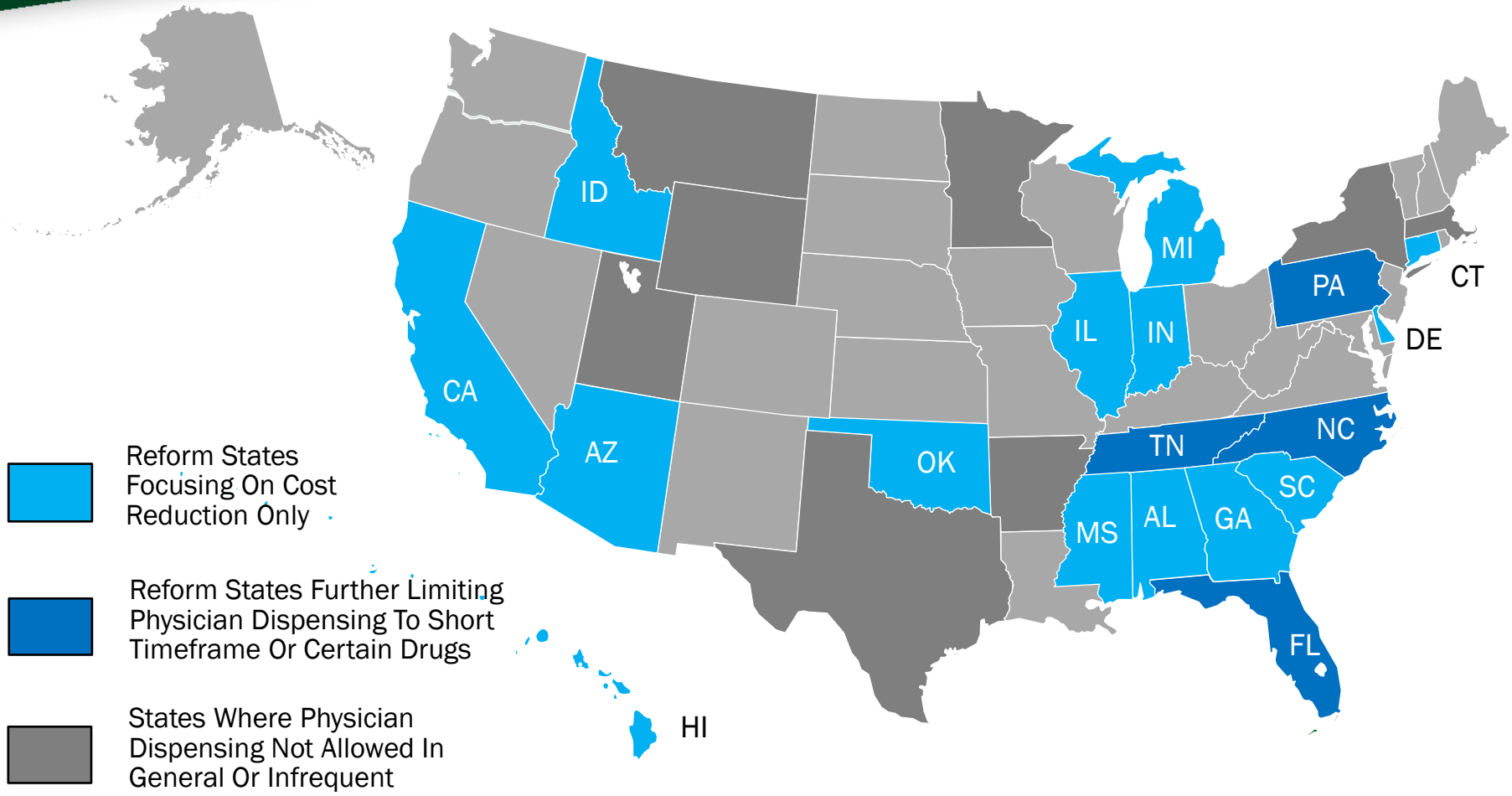
Evidence From WCRI Studies



Current Public Policies

- Most states permit physician dispensing
 - 8 states—physician dispensing rare or not allowed because of legal barriers
- Most recent reforms have focused on lower prices
 - 18 states enacted price limits of physician-dispensed drugs
 - 4 of these enacted limits on amount of physician dispensing

18 States Changed Rules Governing Reimbursement For Physician-Dispensed Drugs



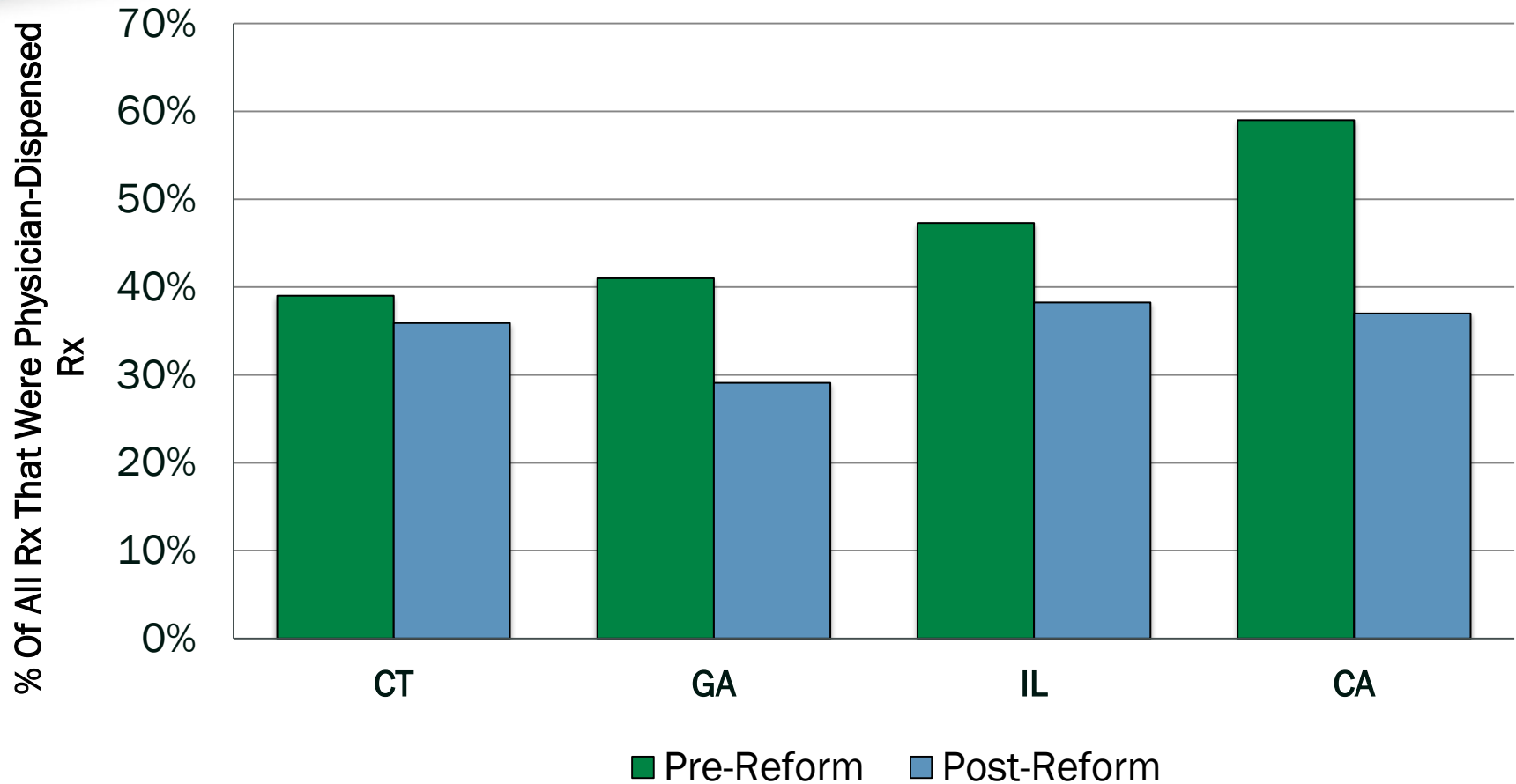
Evidence: Physician Dispensing Is More Expensive, Even After Recent Reforms

- Common in some big states
- Prices paid often much higher than if pharmacy filled same Rx
- Price-focused reforms reduced prices, but still 30%+ higher than pharmacy filling same Rx
- Physician dispensers prescribed over-the-counter drugs also at much higher prices

Evidence: Does Physician Dispensing Help or Harm Patients?

- Physician dispensers prescribed unnecessary opioids
- Question: Can physician dispensing be regulated?
 - Physician dispensing supply chain develops new ways to get higher prices after regulation

Physician Dispensing Common Even After Reforms

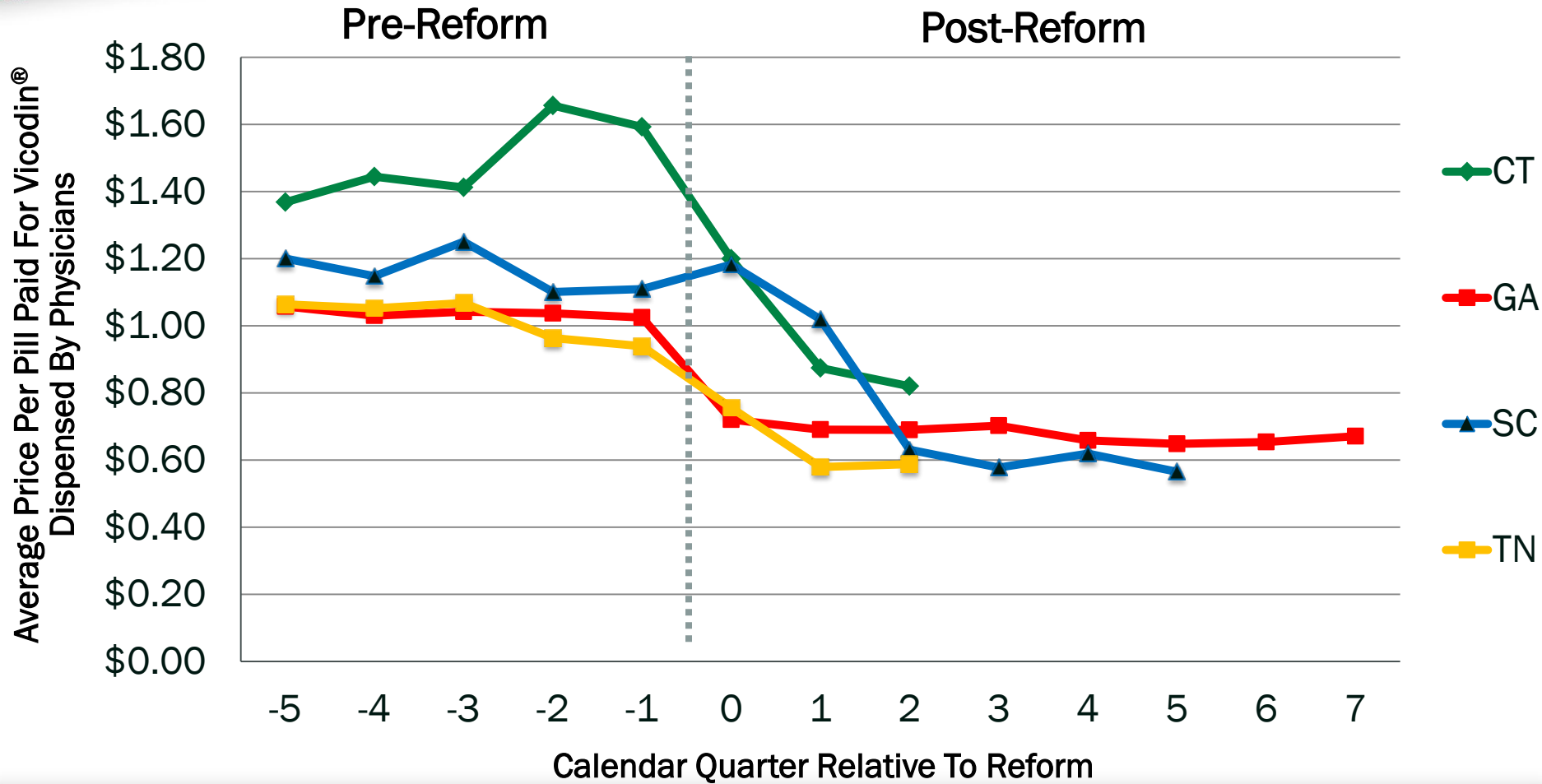


Data include prescriptions for all medical claims in calendar quarters before and after the reforms, filled through March 31, 2013;
Rx: Prescriptions

The Same Drugs, When Physician-Dispensed, Are Much Higher Priced

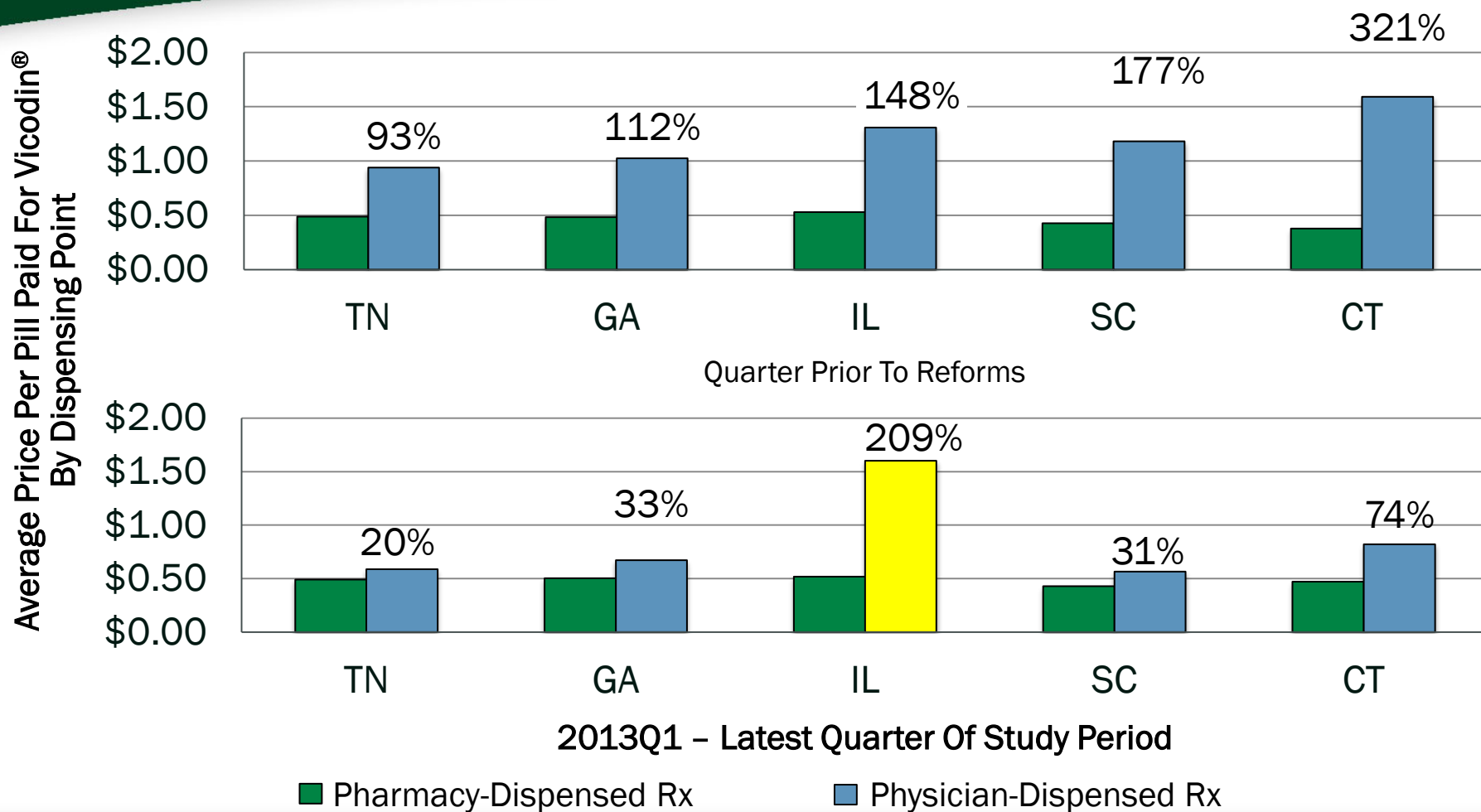
| Common WC Drugs Prescribed By Physicians | Price Per Pill | | % Difference |
|--|----------------|-------------|--------------|
| | Physician Rx | Pharmacy Rx | |
| Hydrocodone-acetaminophen (Vicodin®) | \$1.41 | \$0.52 | 172% |
| Ibuprofen (Motrin®) | \$0.49 | \$0.27 | 81% |
| Tramadol HCL (Ultram®) | \$1.55 | \$0.73 | 114% |
| Cyclobenzaprine HCL (Flexeril®) | \$1.85 | \$0.99 | 88% |
| Meloxicam (Mobic®) | \$5.86 | \$3.19 | 84% |

Prices Paid For Physician-Dispensed Vicodin[®] Decreased Substantially After Reforms



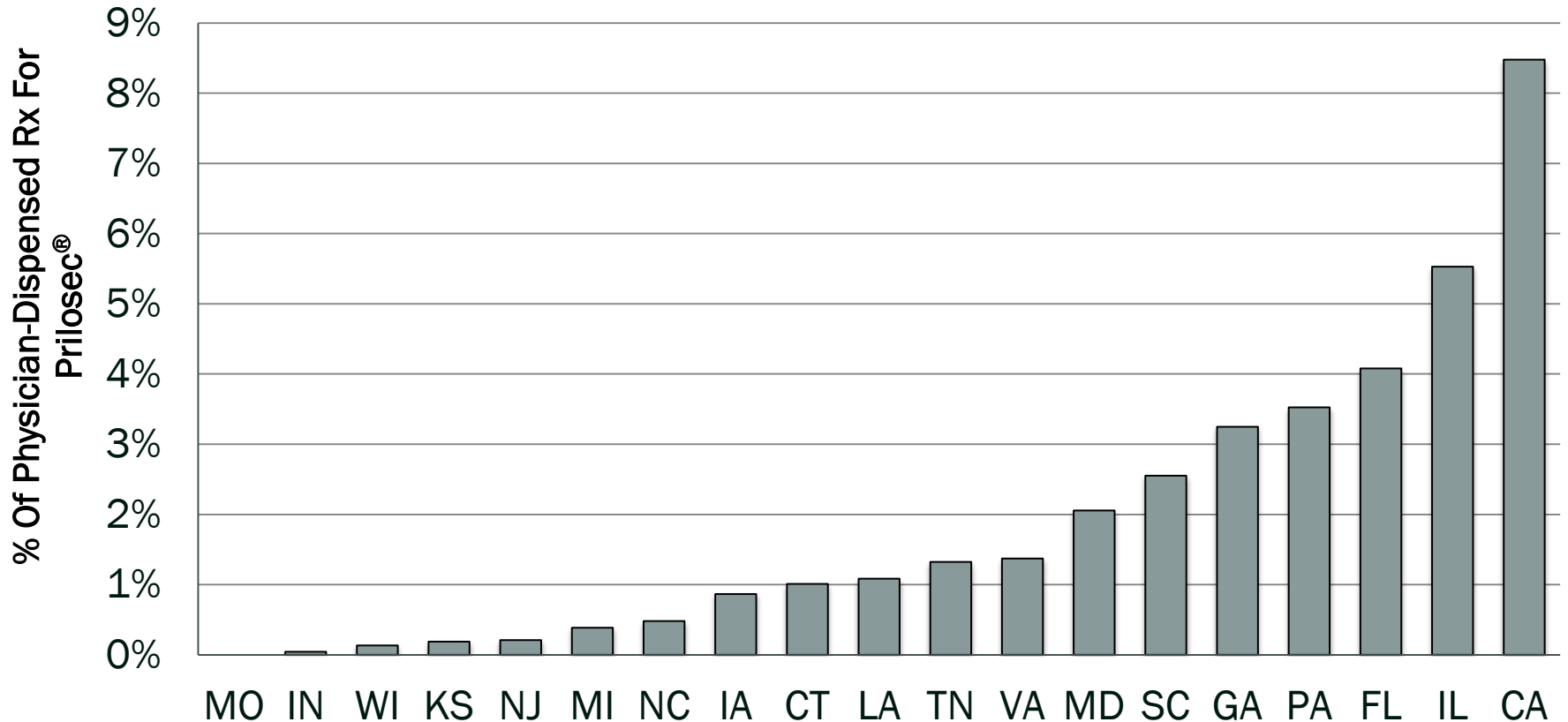
Data include prescriptions for all medical claims in calendar quarters before and after the reforms, filled through March 31, 2013.

Price Difference Reduced After Reforms, But Still Sizable In Most States



Data include prescriptions for all medical claims in the last full calendar quarter pre-reform and in the first quarter of 2013 post-reform; Rx: Prescriptions

Over-the-Counter Drugs Commonly Dispensed By Physicians...



2011/12 Claims With > 7 Days Of Lost Time With Prescriptions

Source: *The Prevalence And Costs Of Physician-Dispensed Drugs (2013)*; Rx: Prescriptions

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...Because They Are Higher Priced

| | Pre-Reform Price Per Pill For Physician-Dispensed Prilosec® |
|--------------|---|
| Florida | \$5.80 |
| Georgia | \$6.03 |
| Illinois | \$6.23 |
| Pennsylvania | \$8.37 |

Claims With > 7 Days Of Lost Time With Prescriptions. 2012/13 Data for PA, FL, And IL; 2010/2011 Data For GA.

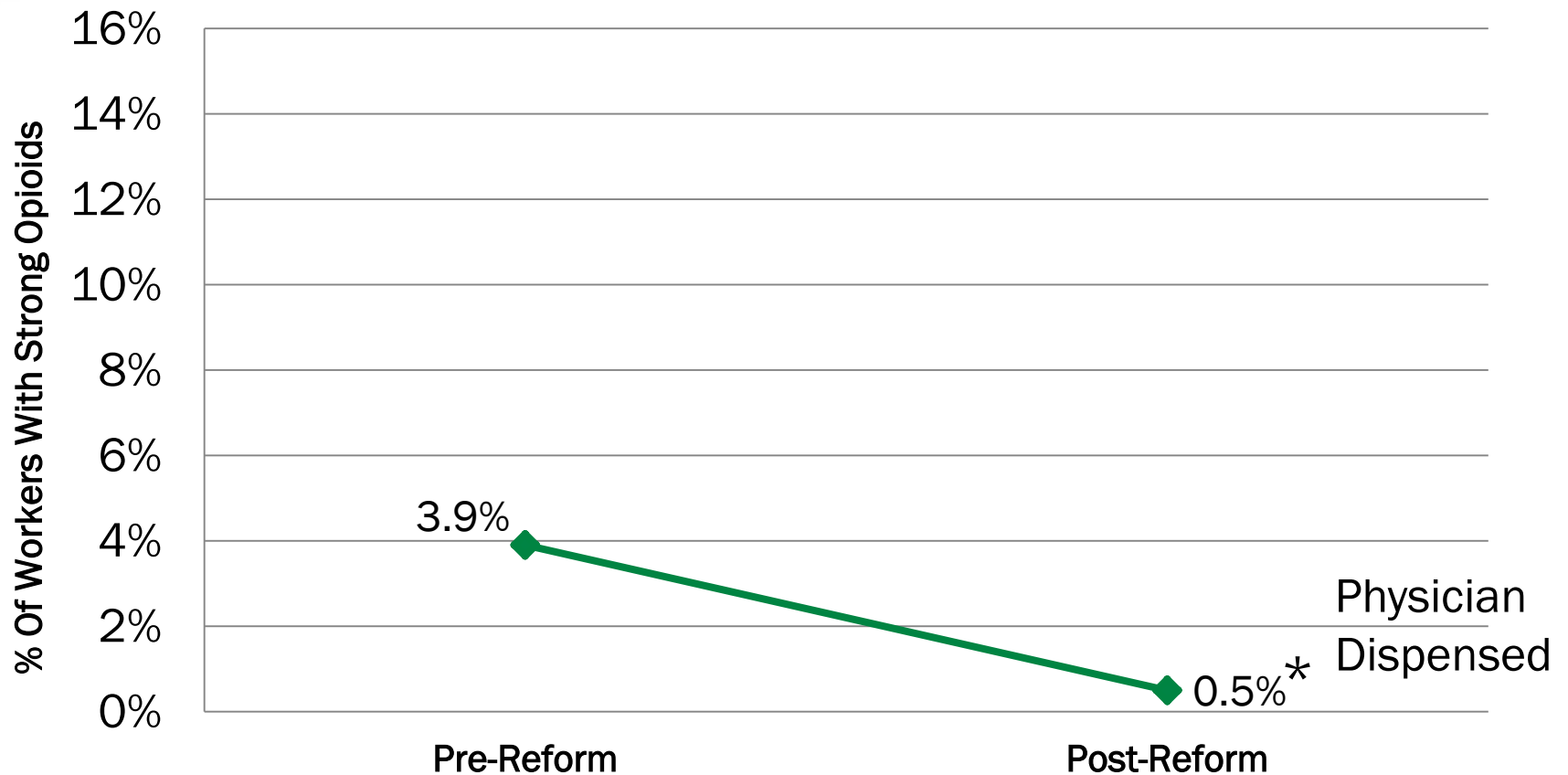
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Policy Context

- Florida Pill Mill Bill (House Bill 7095)
- Physician dispensing of Schedule II, III controlled substances was banned, effective July 1, 2011

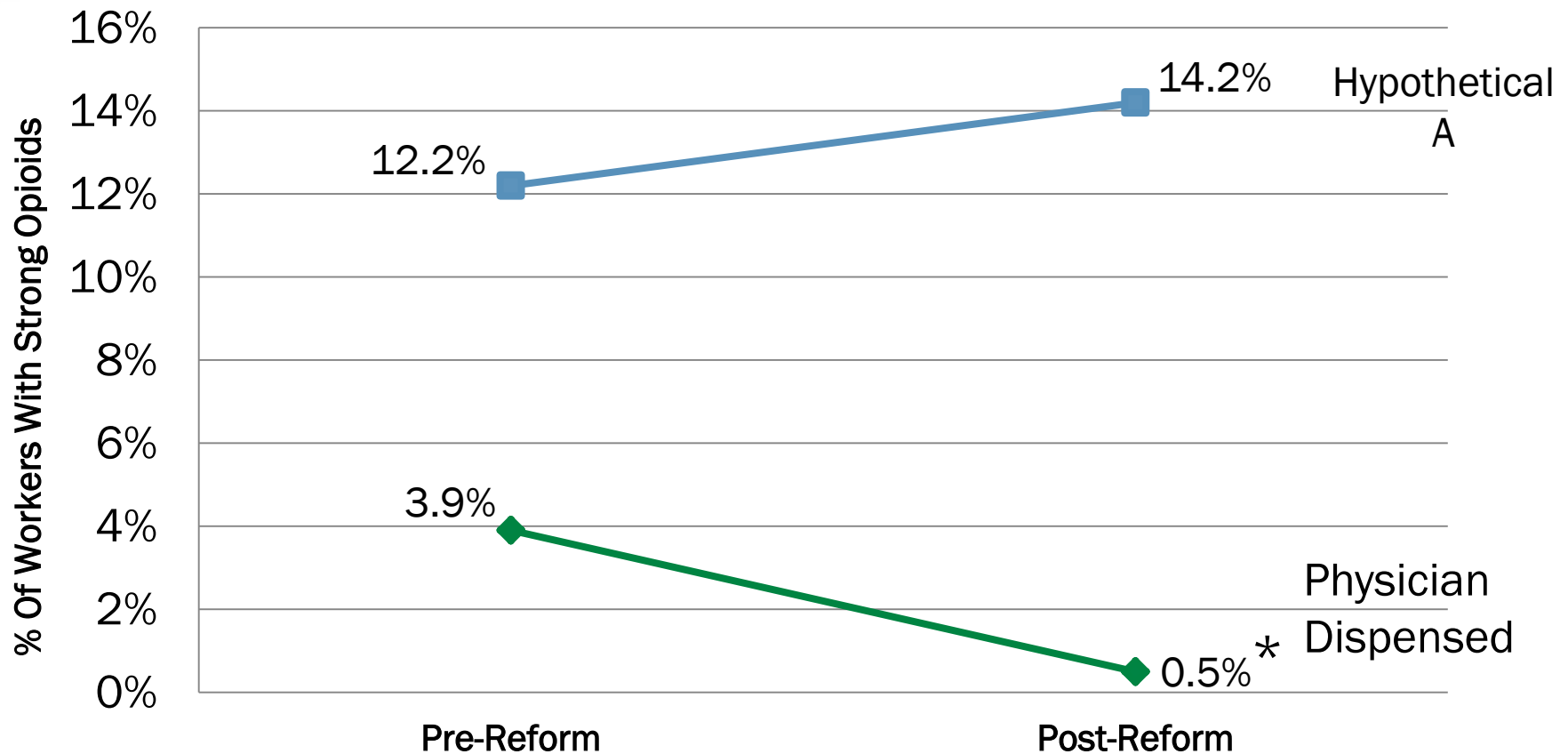
Does Physician Dispensing Increase Opioid Use?



* Statistically Significant at the 0.01 level

Underlying data include six months of Rx utilization for FL injuries between Jan.-Jun. 2010 (pre-reform) and Jul.-Dec. 2011 (post-reform); Source: *The Impact Of Physician Dispensing On Opioid Use* (2014)

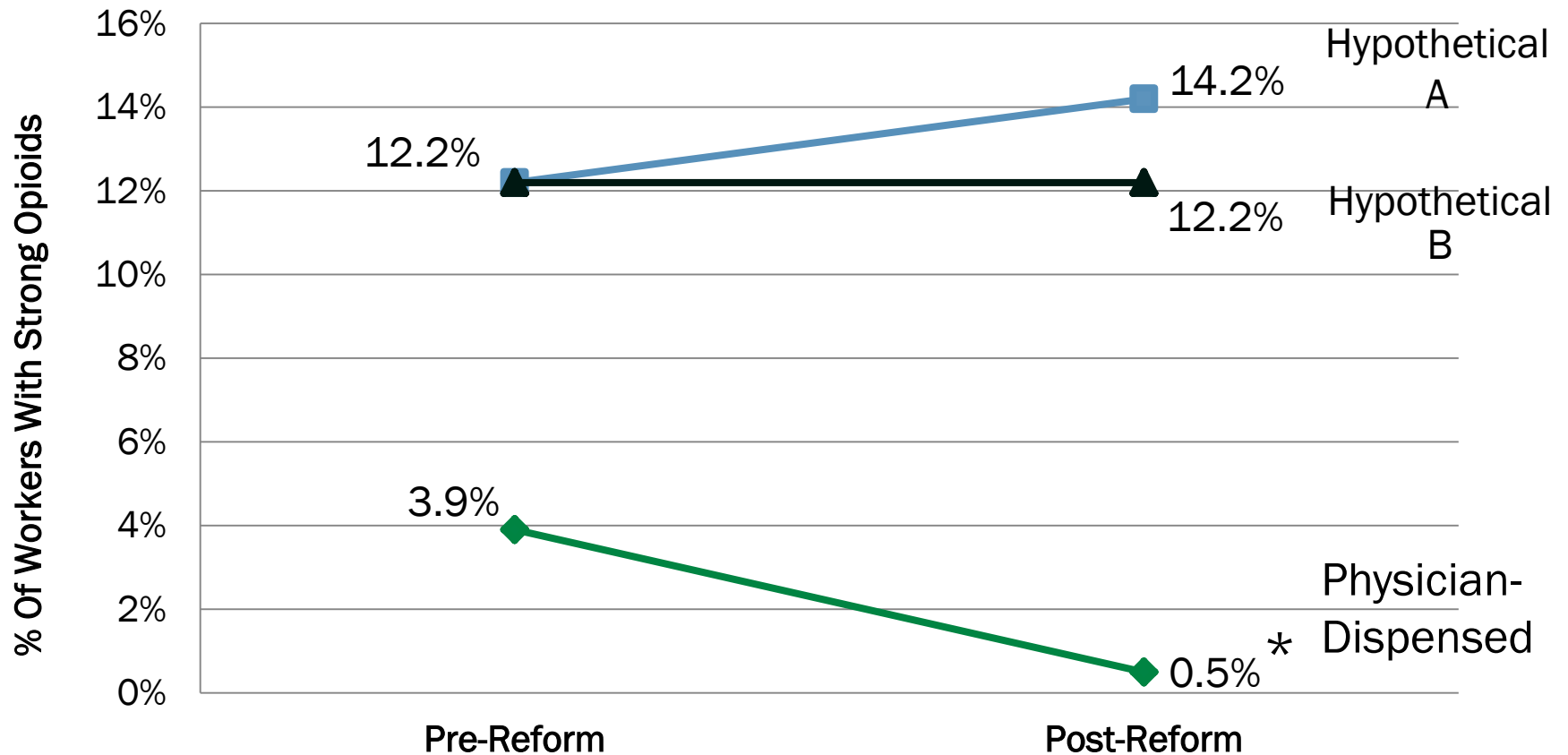
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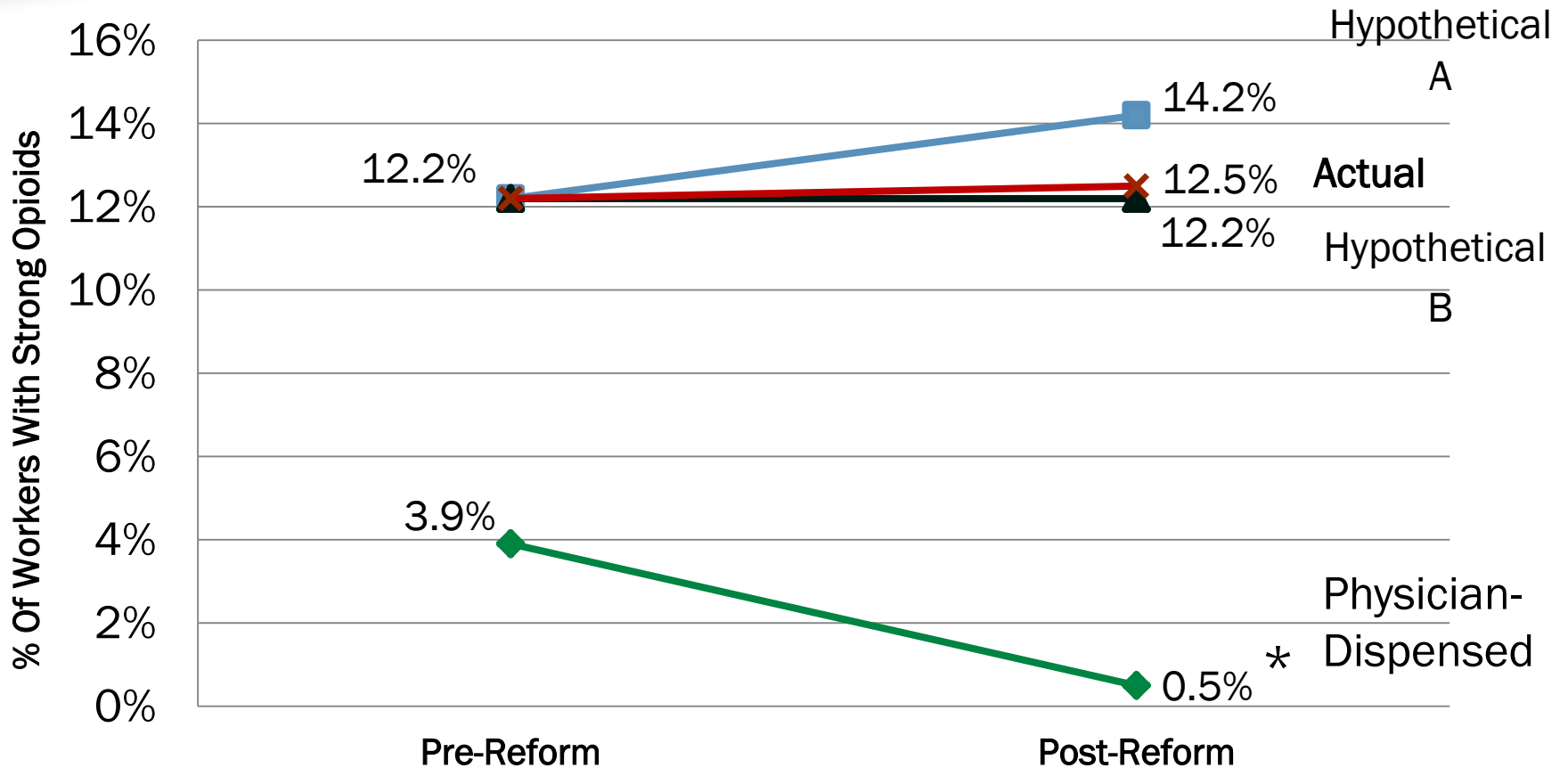
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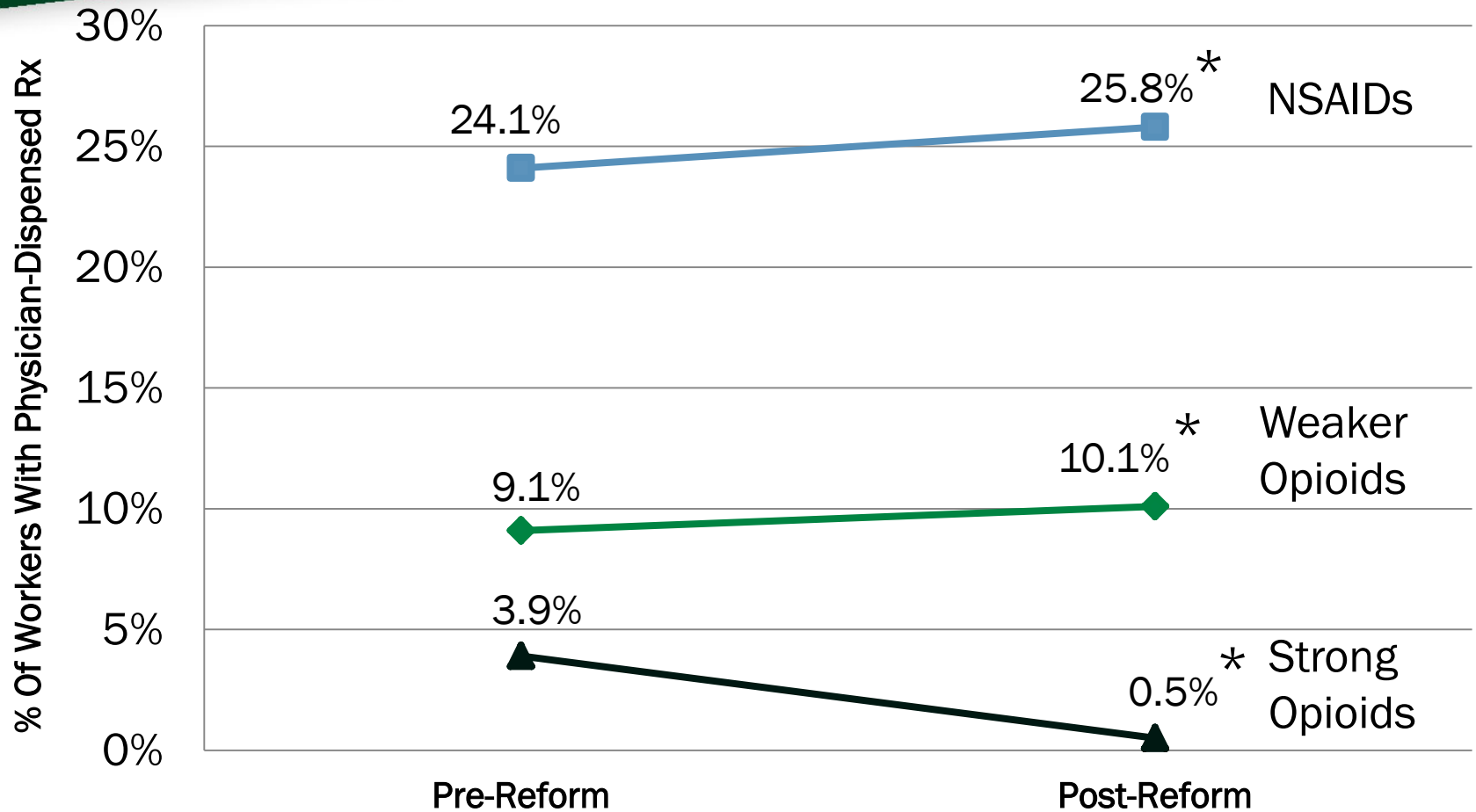
Does Physician Dispensing Increase Opioid Use? Likely



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Most Received Physician-Dispensed NSAIDs And Weaker Opioids



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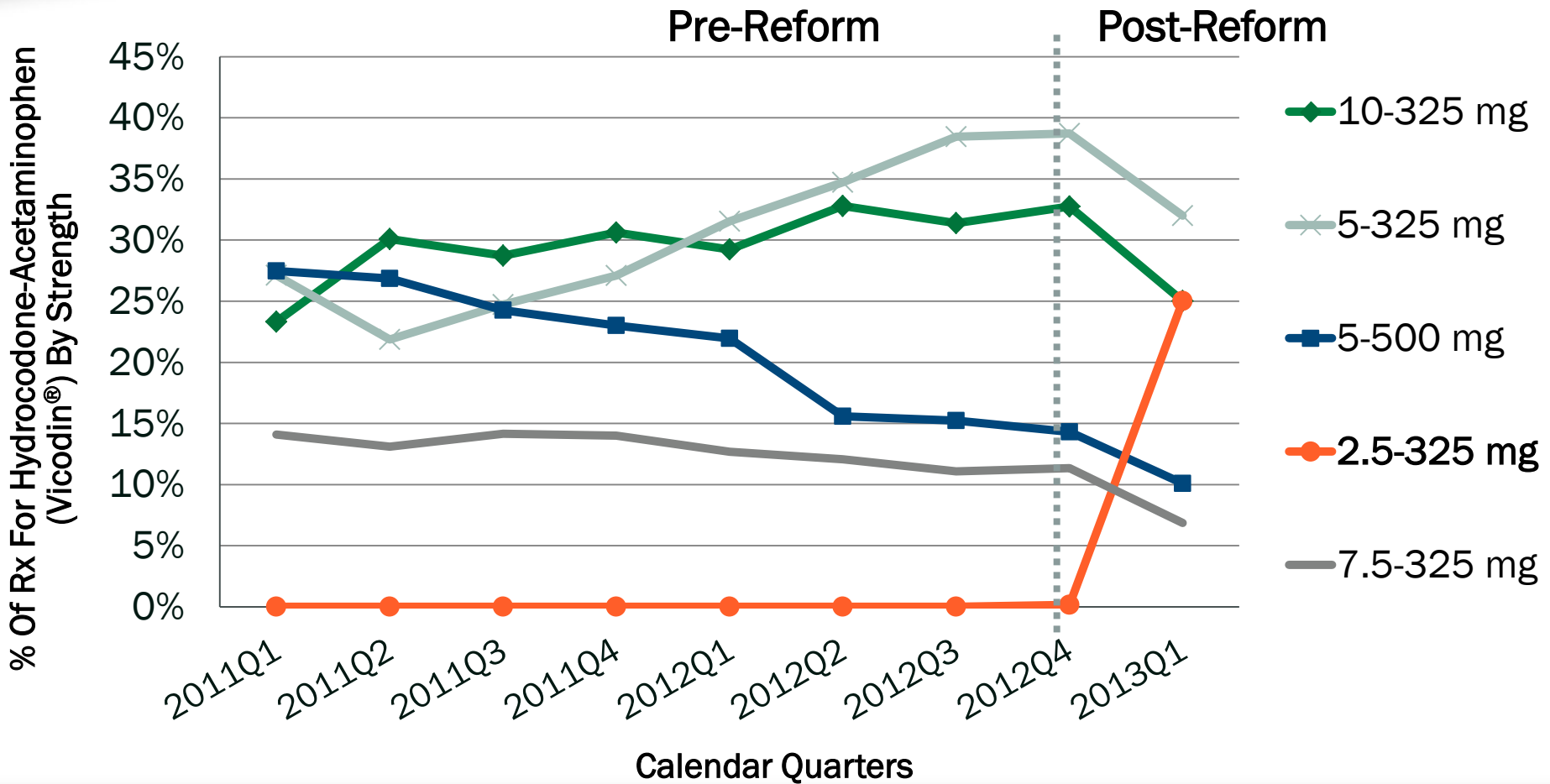
No Subsequent Strong Opioid Fills Among Cases With Other Pain Rx

- Of the cases with physician-dispensed NSAIDs or weaker opioids (but no strong opioids) in the first 6 months
 - Only 2% received a stronger opioid Rx in the next 6 months at the pharmacy in the post-reform period
 - 2.2% received a stronger opioid Rx at a pharmacy or physician's office in the next 6 months in the pre-reform period

Reforms May Not Be As Sustainable As Expected: Evidence Of New Drug Strengths

- Hydrocodone-acetaminophen in Illinois
 - 2.5-325 milligram product came to the market in 2012
 - New strength dispensed by Illinois physicians, frequency increased from none pre-reform to 25% post-reform
 - New strength paid at \$3.04 per pill, compared with \$0.66–\$1.06 per pill for existing higher strengths
- Cyclobenzaprine in California
 - 7.5 milligram product came to the market in 2011
 - Physician dispensing of new strength increased from 0% in 2011 to 47% in first quarter of 2013
 - Prices paid for new strength \$2.88–\$3.41 per pill, \$0.35–\$0.70 per pill for existing strengths

Physician-Dispensed Vicodin® New Strength Increased From 0% To 25% After Illinois Reform



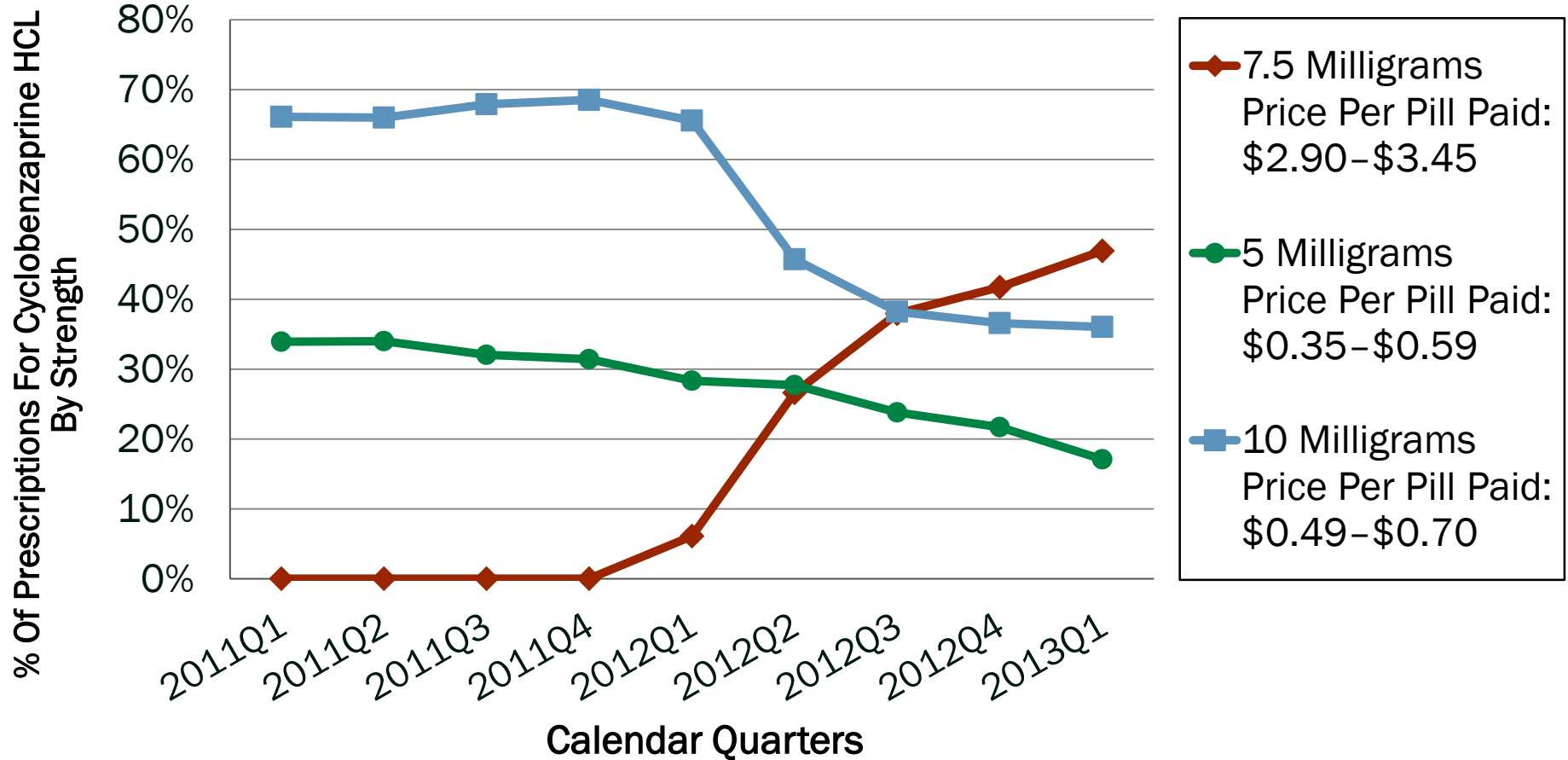
2.5-325 Milligram: 2.5 Milligram For Hydrocodone And 325 Milligrams For Acetaminophen

Price Paid For Vicodin® Much Higher For New Strength Than Existing Strengths In IL

| Hydrocodone-Acetaminophen (Vicodin®) By Strength | Pre-Reform (2012Q3) | Post-Reform (2013Q1) |
|--|---------------------|----------------------|
| 2.5-325 Milligrams – New Strength | n/d | \$3.04 |
| 5-325 Milligrams | \$1.29 | \$0.66 |
| 5-500 Milligrams | \$1.28 | \$0.93 |
| 7.5-325 Milligrams | \$1.20 | \$1.06 |
| 10-325 Milligrams | \$1.43 | \$0.94 |

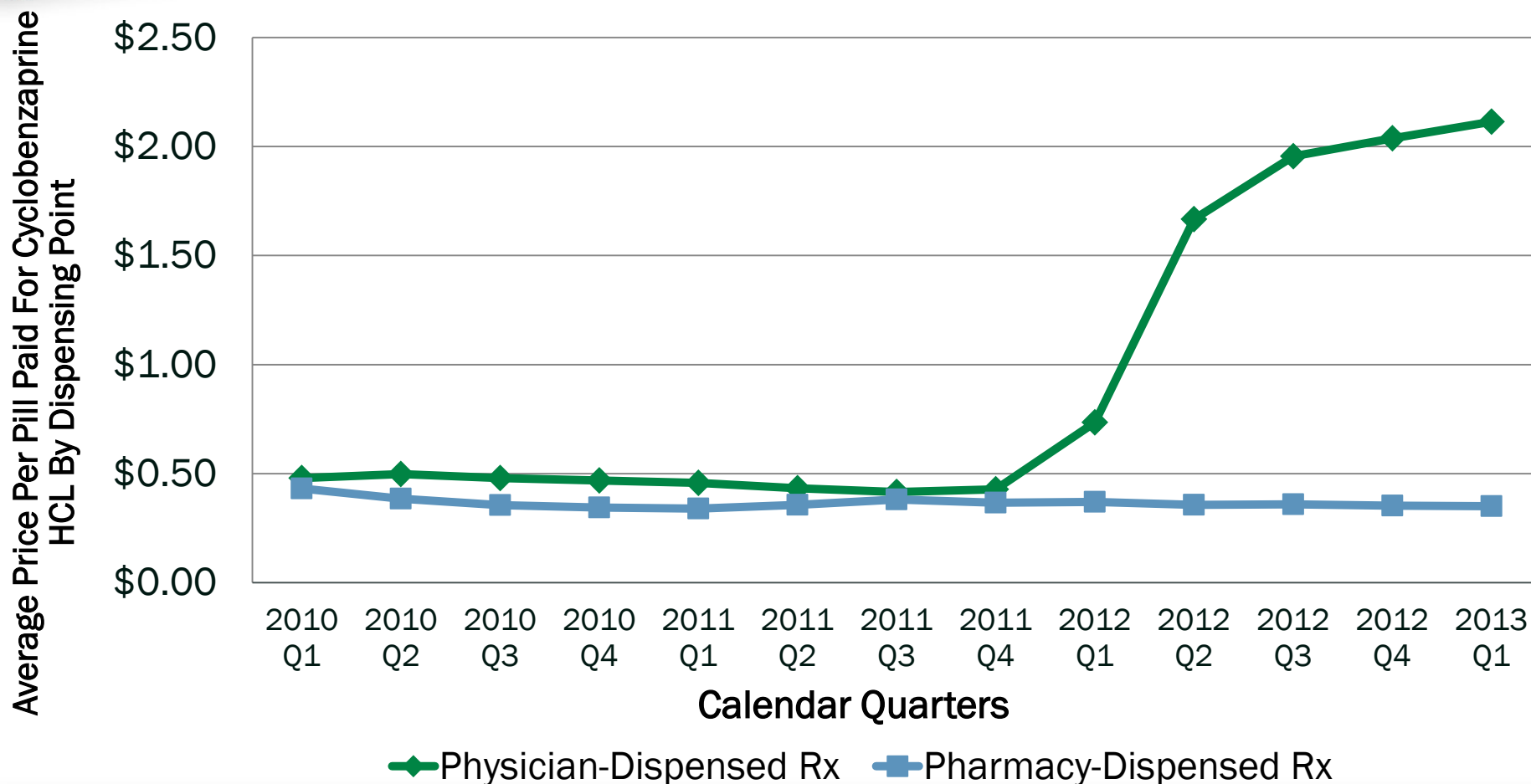
n/d: No Data; 2012Q3: Third Quarter Of 2012; 2013Q1: First Quarter Of 2013

Cyclobenzaprine New Strength In California: Rapid Increase, Much Higher Prices



Included Are Prescriptions (Rx) Dispensed By Physicians In California From First Quarter Of 2011 (2011Q1) To First Quarter Of 2013 (2013Q1)

Frequent Dispensing Of 7.5-Milligram Product At Much Higher Price Drove Up Physician Price



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Thank You!

- For comments/questions about the findings:

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rvictor@wcrinet.org

- I invite you to stay connected with WCRI on:

