



# Opioids: An Update to an Epidemic in the Workforce

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## Michael S Jacobs RPh Area Vice President – Pharmacy Benefit Consulting

Mr. Jacobs has three decades of experience in the pharmaceutical and healthcare industries, which includes positions with a pharmaceutical manufacturer, the managed care industry, PBM executive, a national retail chain and health care consultant. He provides perspectives and experience from a variety of vantage points including Government programs, benefit design, budgeting and compliance efforts for payers ranging to groups in excess of 1,000,000 covered lives. He has performed pharmacy and clinical consulting for commercial, Taft-Hartley and government programs, and has managed vendor relationships during the selection, implementation and account management phases of client engagements.

Mr. Jacobs graduated from Wayne State University as a Pharmacist and is considered a thought leader in the industry, with over 100 publications and presentations to his credit, including national association meetings and peer reviewed journals.

During his career, Mr. Jacobs has held positions as the National Clinical Practice Leader at a leading Human Resource Consulting firm, an executive at several large companies, managing Health Plan relationships for a major retail pharmacy chain, and in wellness data collection & member incentives.

## Matthew Patella, Area Vice President Pharmacy Benefit Consulting

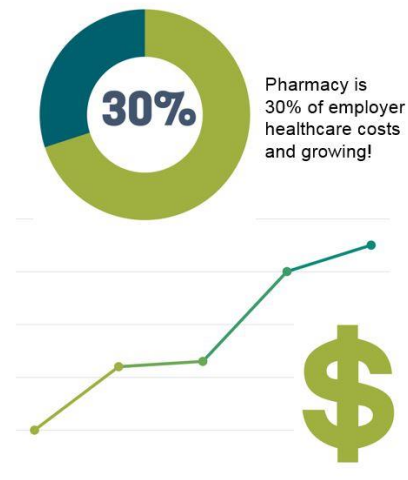
As Area Vice President, Pharmacy Benefit Consulting, Matt is responsible for pharmacy benefit consulting for the Southeast region. Matt has over 22 years of healthcare experience in sales, finance, marketing, account management and leadership. Matt's areas of expertise include pharmacy benefit finance, account management, benefit analysis and design, contract review, and negotiation.

Prior to joining AJG, Matt served as Regional Vice President of Sales for WellDyneRx. During his tenure, he was responsible for building out sales within the Southeast region. He worked closely with marketing, operations, account management, implementations, and other areas to bring market feedback and opportunities into the organization. Matt also spent 5 years at Vital Decisions, a startup healthcare organization focused on behavioral care. He built the sales, marketing, and account management capabilities for that organization and was responsible for the entire revenue side of the business. Matt also created an opioid addiction program focused on the behavioral aspects of addiction and how behavioral health plays a critical role in opioid abuse.

Matt's career includes an extensive background working in positions of increasing responsibility for both Express Scripts and Medco spanning over 16 years. His deep understanding of PBM operations, account management, and financial analysis helped him to provide significant value to his customers. Matt has sold and managed business in the employer, payer, labor union, and public sector space. He has won various awards for his service and for bringing creative value-add solutions to his customers. Matt has BBA in finance from Pace University and a MBA in management from Iona College

## Why is Pharmacy so important today?

- Pharmacy is approximately 30% of employer healthcare costs and continues to rise
- Specialty pharmacy costs are front and center on clients' minds as they approach 35 percent of total healthcare costs
- The drug pipeline is filled with high cost specialty medications, treating conditions never thought possible
- Prescription drug costs have become a consistent debate played out in Washington, think tanks, and the media
- The Pharmacy Benefit Management industry landscape continues to change and evolve year over year...benefits to members are still unclear
- A lack of transparency in pharmacy benefits continues to be the norm
- Opioid use/abuse remains at the forefront of pharmacy issues



## Gallagher's National Pharmacy Practice

- Gallagher's National Pharmacy Practice is comprised of 45 pharmacy benefit experts nationwide, including consultants, auditors, clinical pharmacists and financial analysts, most of whom have worked in the pharmacy benefit industry for more than 20 years.
- We provide a full suite of pharmacy benefit consulting services to employers, hospitals/health systems, and health plans throughout the country.
- We are national with a physical presence in all regions and in many states including a large presence in South Carolina



# Gallagher National Pharmacy Practice Overview

The Pharmacy Benefit Management Consulting team helps clients manage pharmacy costs and programs through proactive solutions and subject matter expertise

## Solutions Offered:

- PBM contract reviews
- Pharmacy plan RFPs
- Pharmacy alliance options for smaller clients
- Pharmacy plan implementation support
- Ongoing strategic pharmacy plan management
- Financial and benefit plan audits
- Pharmacy benefit plan design reviews
- Clinical consultation
- Medical/pharmacy specialty analysis
- Specialty Pharmacy, Medical Medication Management, MTM Procurements
- Contract and performance guarantee drafting and negotiations
- Ongoing strategic management and oversight of PBM, MTM, and UM vendors
- Specialty medication strategy development, management reporting, and analysis
- Clinical program development and evaluation
- Medicare, Medicaid, and Exchange operations and compliance
- Marketing and business development consulting support for health plans



## Gallagher National Pharmacy Practice Overview

### Target Markets:

- Self-Funded employers, Government, Labor Unions, Coalitions, Health Plans

### Competitive Differentiators:

- Objective and transparent
- Data analysis coupled with innovative approaches help clients mitigate costs without cutting benefits or cost shifting
- Proprietary PBM pricing model that quantitatively evaluates all competitive bids in a PBM procurement to adjust for contractual loopholes and techniques that drive up costs for employers and employees
- Skilled negotiator on clients' behalf, without bias toward specific products, vendors
- Audits are a core service, ensuring guarantees are met and plan designs are administered properly
- Industry leading expertise with providing strategic guidance to large employers, large health plans and some of the nations largest purchasing groups



# Agenda

## Epidemic Update

Key stats following the opioid epidemic impact on the US

## What Other Employers are Doing

Novel strategies and areas of focus that employers are using to prevent or redirect the development of an internal opioid crisis

## Change the Message

An opportunity to communicate and engage your workforce and empower resiliency

## Employer Impact

How the opioid crisis is presenting/impacting US employers

## A Wellbeing Connection

Wellbeing strategies to minimize the impact of the crisis and strengthen engagement of the workforce



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# An Update to the US Opioid Epidemic





# Opioids in the US...

**702,000+** People have died from an Opioid OD 1999-2017

Over **47,000** people died from OD on opioids in 2018

**130** People died every day from opioid-related drug OD in 2018

Opioid OD **increased 30%** from 7.2016 through 9.2017 in 45 states

- 16% Counties had **1 Opioid Rx/Person** 2017
- Some had **7 x Rx** Rate for Opioids

Opioid prescribing patterns:

- 2006: 216M Opioid Rx
- 2012: 255M Opioid Rx (81.3 Rx/100)**
- 2016: 215M Opioid Rx**
- 2017: 191M Opioid Rx (58.7 Rx/100)**

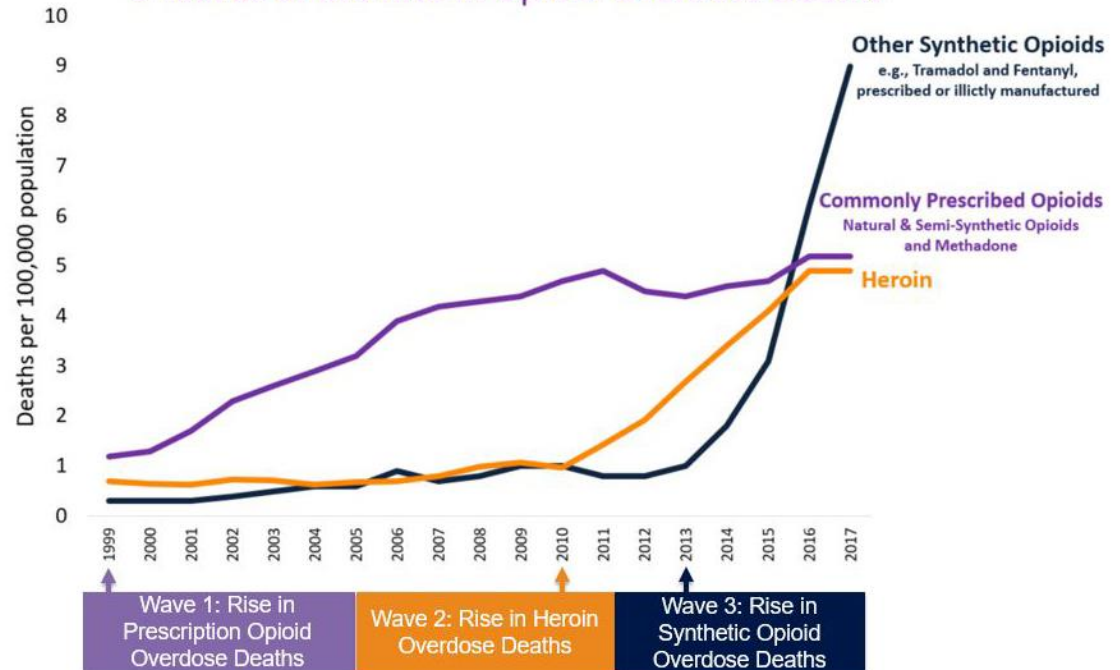
**Synthetic Opioids:**

- Vicodin, OxyContin, Dilaudid, Tramadol, Fentanyl (semi)

Each year Rx Opioid misuse, OD and dependence account for:

- **\$28.9B** in direct healthcare costs
- **\$7.6B** in criminal justice costs (96% to gov't)
- **\$42B** in lost productivity

## 3 Waves of the Rise in Opioid Overdose Deaths



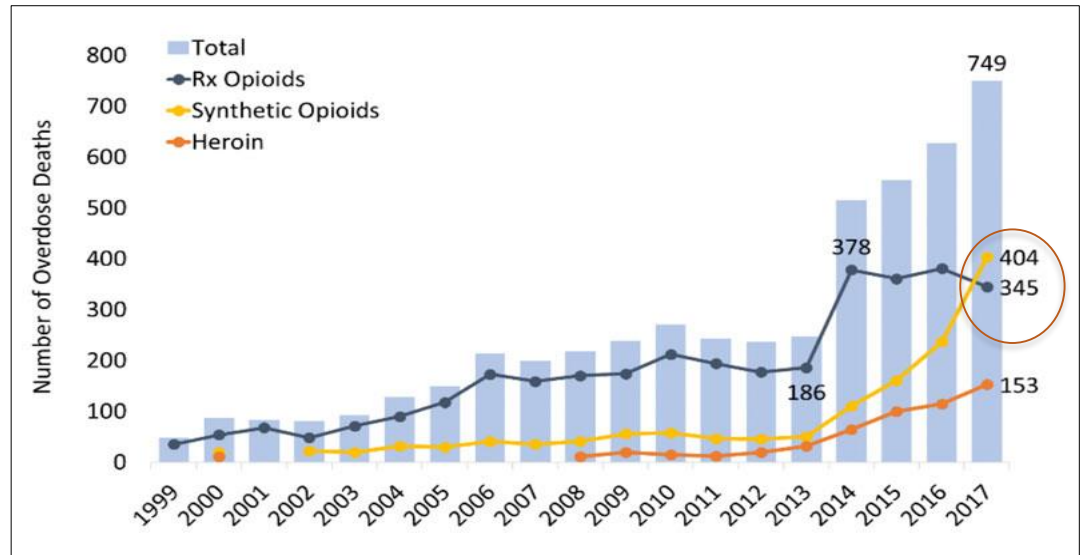
SOURCE: National Vital Statistics System Mortality File.



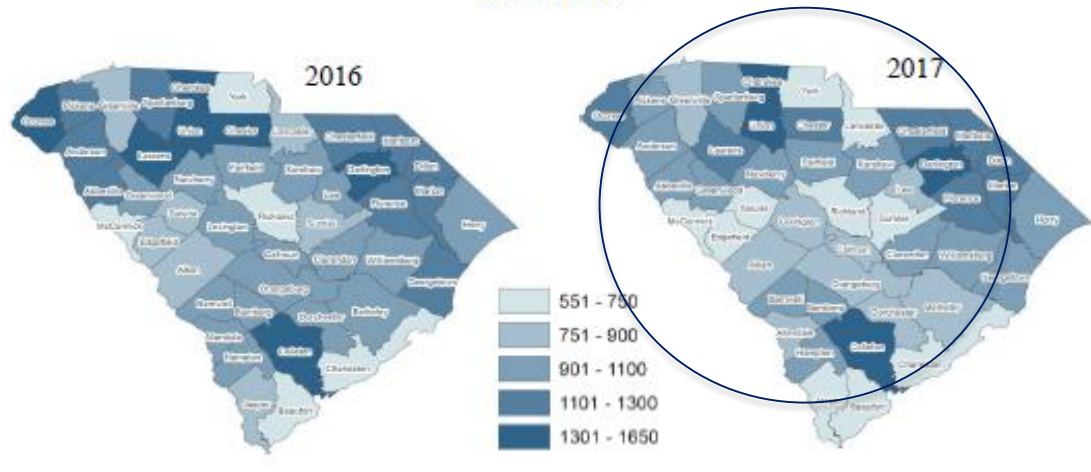
# An Epidemic in South Carolina

In 2017 opioid-related overdose deaths: **749**

- **15.5** deaths per 100K in SC (14.6 deaths per 100K in US)



Maps of Opioid Prescription Dispensed Rate (per 1,000) South Carolina County Residents



In 2017...SC prescribers wrote **79.3** opioid rx per 100 persons

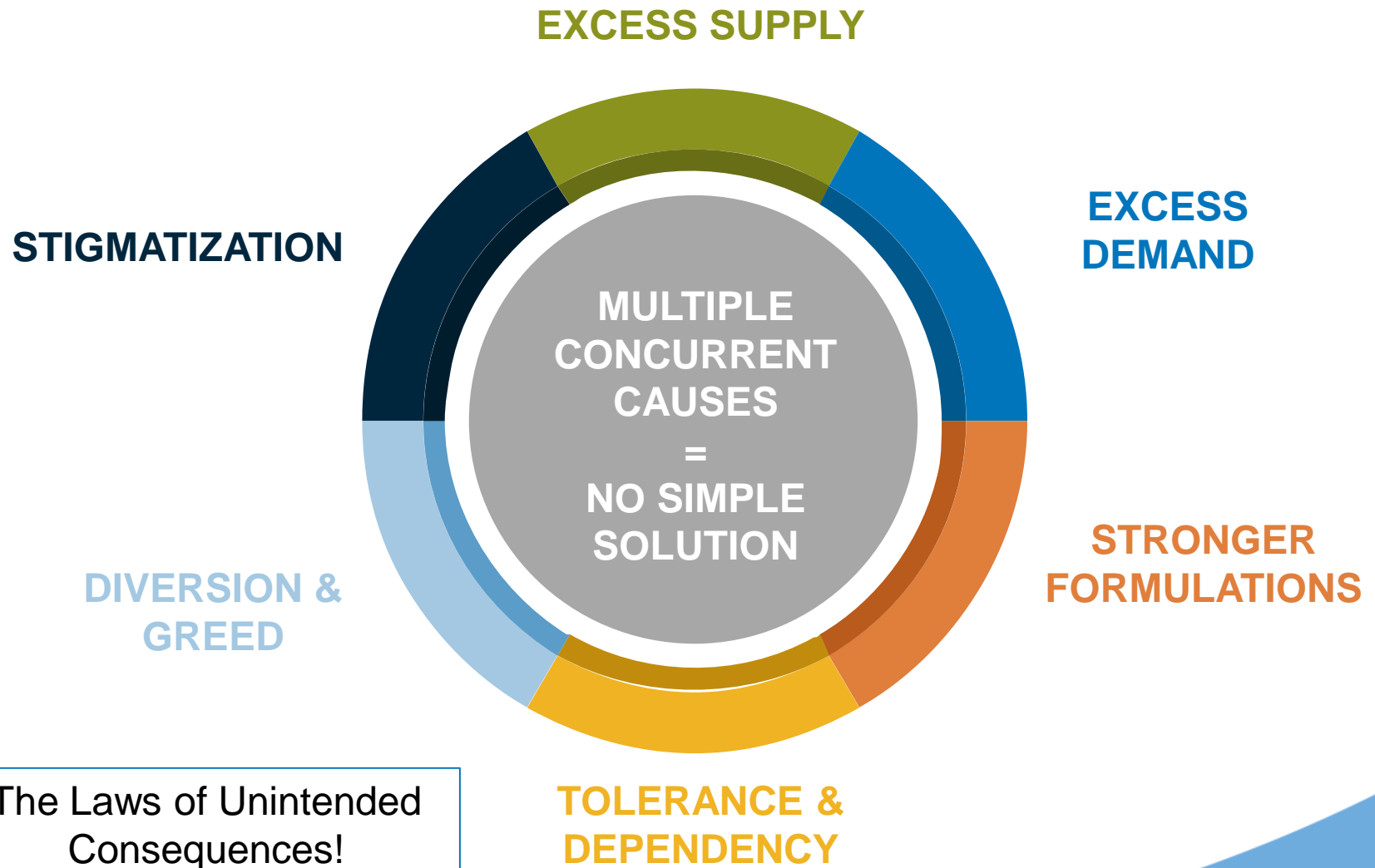
- Average US rate was **58.7** opioid rx per 100 persons
- We can see success!

# Where did the Opioid Epidemic Come From?



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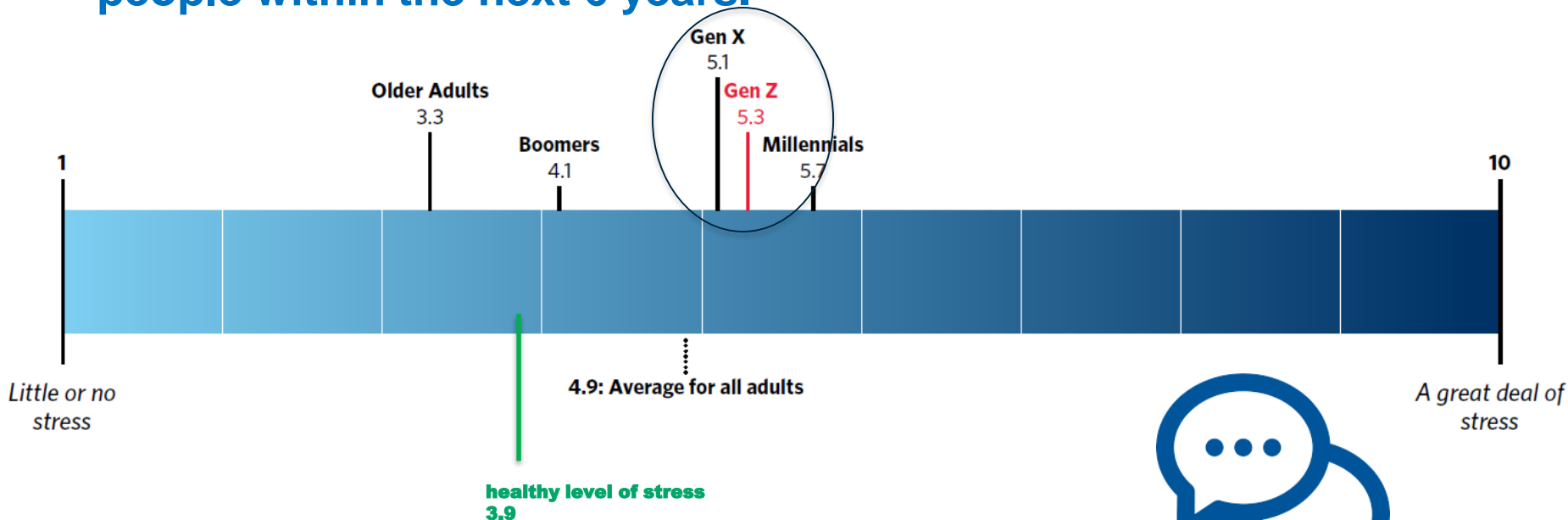


The Laws of Unintended Consequences!

# Q: Who's Stressed Out?

## A: Most of us!

Young professionals are the most stressed generation in the workplace, and they will represent 75% of working-age people within the next 6 years.

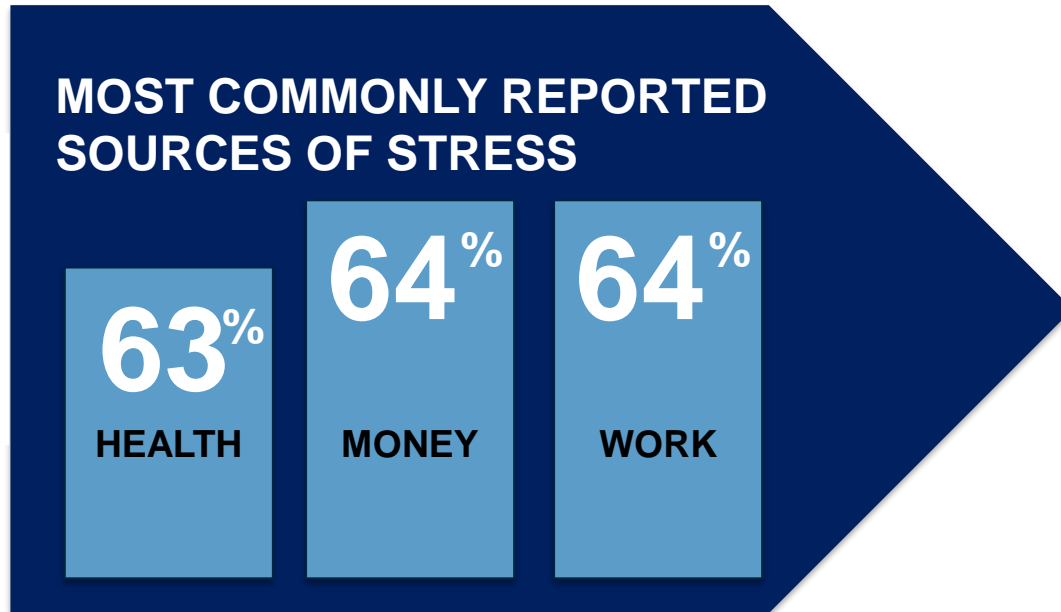


Those % are even higher for Gen Z including:

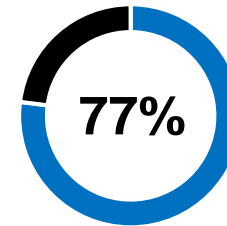
- 25% would not know where to find help if they had a problem with drugs or alcohol
- 35% would not know how to get help for a family member or friend facing a drug or alcohol problem



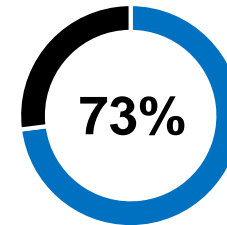
# What's got us so **STRESSED** out?



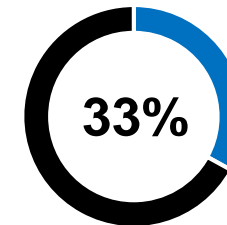
Regularly Experience Physical Symptoms



Regularly Experience Psychological Symptoms



Living with Extreme Stress



APA *Stress in America*™ Survey: US at 'Lowest Point We Can Remember,'  
Future of Nation Most Commonly Reported Source of Stress



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**SOMETIMES  
OPIOIDS ARE  
THE RIGHT  
TREATMENT**



**OPIOID  
DEPENDENCY  
AND ADDICTION  
IS A DISEASE**

**OPIOID DEPENDENCY IS NOT A MORAL FAILURE**



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# Employer Impact and Activity



# An Epidemic in the US Workforce



25% of employers report difficulty recruiting opioid-free employees



**82% of large employers surveyed were concerned about prescription opioid misuse and abuse (55% VERY CONCERNED)**



Private insurance covers nearly **4 in 10** non-elderly adults with opioid use disorders



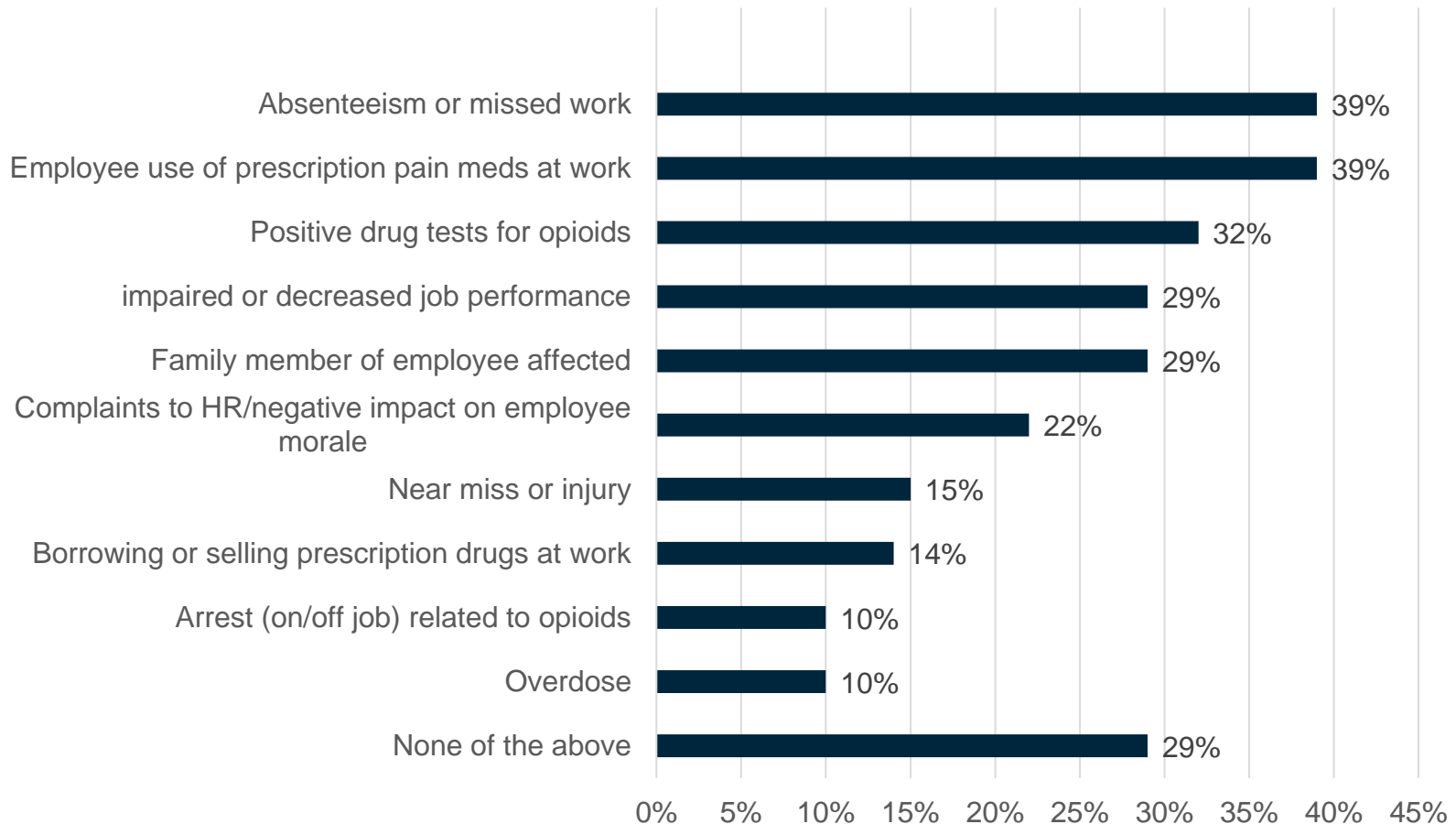
# Incidents Experienced Due to Prescription Drugs in Workforce



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>70% of Employers report prescription drug impact in workplace

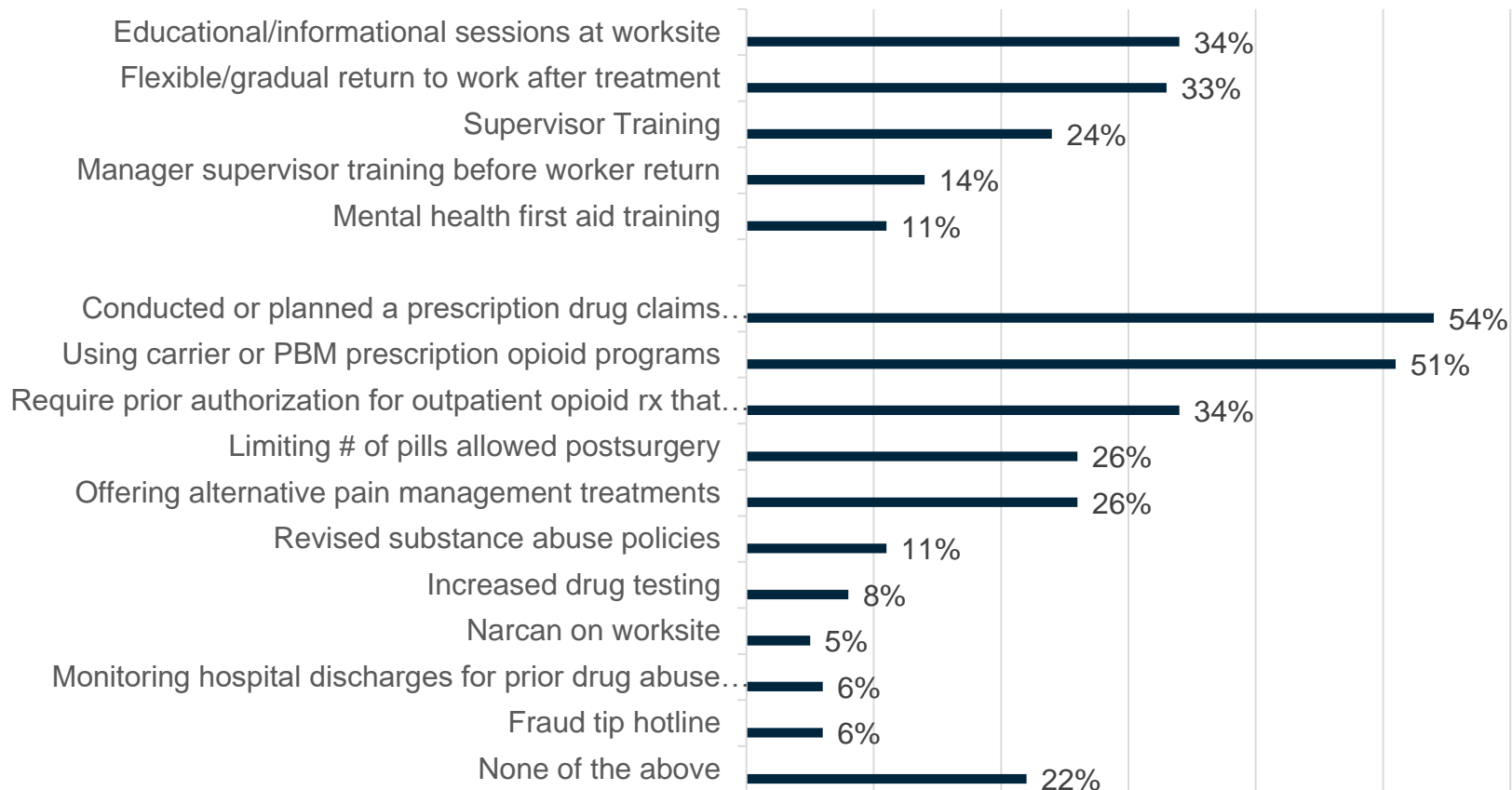




# Employer Responses to the Opioid Epidemic

In 2017, 56% of employers were doing NOTHING...

In 2018, most employers were doing SOMETHING



**Over 1/3 of organizations are making opioid misuse in the workplace a top priority**

# Employer Needs Assessment



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- Do you have concerns that a segment of your employee population may have or could develop long-term dependency on prescription opioids?
- Do you currently have controls in place to limit the amount of prescription opioids available through your health plan?
- Have you seen a risk in on-the-job accidents in recent years?
- How would you describe the level of engagement within your organization?
- Does your organization have well-defined return to work policies and procedures?
- Do you currently have a drug-free workplace or drug testing policy?
- Does your organization offer wellness programs focused on emotional wellbeing?
- How would you describe the level of internal communications within your organization?
- Does your organization offer an Employee Assistance Program (EAP)?
- Have you completed an engagement survey of your employee population within the last five years?
- Would you describe your organization as a high stress environment?



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# What Are You Doing to Respond?

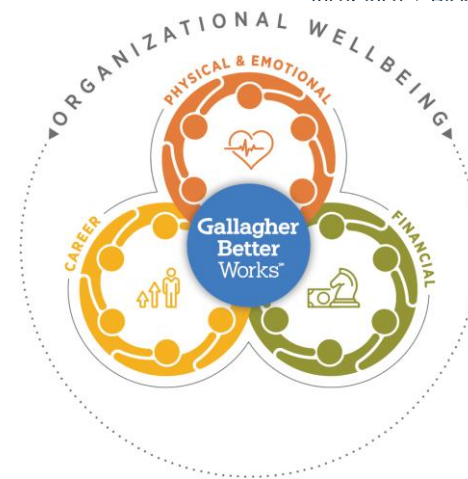


I'm not doing anything because I don't have a clue where to start



# Coordinated approach - synergistic results

## *This is Gallagher Better Works*



### Practice Areas

- H&W Consulting
- Pharmacy
- Communications
- Leave Management
- Compliance
- Data Analytics
- HR Consulting
- Wellbeing & Engagement
- Healthcare Analytics
- Risk Management

### Solutions

- Approach to Chronic Pain Management/Plan Design
- Plan Design Optimization
- Regain/Member Education & Resources
- Leave and Return to Work Policies
- Considerations for opioids strategy
- Understanding utilization patterns; setting baseline
- Drug Free Workplace & Return to Work
- Addressing stress and resiliency
- Data analysis and tracking
- Safety and Risk Assessment

# Control the Excess and Access



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Optimize your Pharmacy Plan -- Access Resource/Support Available

## BASE LEVEL RESPONSE:

- ✓ Limits on both immediate (IR) and extended-release (ER) products.
- ✓ Step Therapy Prior Authorization on Extended Release products
- ✓ Opioids with MME >90 require Prior Authorization
- ✓ Limits on co-prescribing with benzodiazepine
- ✓ Pharmacists required to check PDMP databases
- ✓ 100% Coverage for Medication Assisted Therapy (MAT)
- ✓ *Exemption to patients with cancer, or receiving palliative care, or hospice patients*



## How we can help

- We can work with you to analyze and audit your claims experience
- We can further discuss Gallagher's specific Opioid Management Solutions and how those solutions could work for your plan
- We can work with your Health Plan or PBM to ensure they are including their most robust programs around opioid management
- We can provide ongoing oversight of your PBM relationship
- We can work to ensure your interests are protected around PBM management



# Questions?

