

Topicals Toolbox



Optum

In the world of workers' compensation pharmacy care over the last 15 years, the use of certain medications for off-label prescribing and practitioner dispensing have been long-term issues for payers. After regulation of these practices by state policymakers, concern shifted to the overutilization of compounded medications. Once again, policymakers moved forward to tackle abusive use of specialty medications, often capping reimbursement.

Fast forward to the 2020s. Now, payers are dealing with aggressive overprescribing and physician dispensing of topical medications, specifically private label topicals. Several states are working to address this growing issue, and Optum has been making concerted efforts — through clinical identification and policymaker education — to capture and control utilization of these high-priced medications, which also have questionable efficacy.

This toolbox includes educational resources that Optum has published over the last 4 years on this topic. Examples include explanations of adopted state policy aimed at controlling use and cost of these medications, educational and advocacy tools designed for working side-by-side with policymakers, and clinical devices that Optum can apply to further handle topical medication prescribing.

Optum Public Policy and Regulatory Team, April 2024



Solutions



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Solutions



[Compounded and pre-manufactured topical medications](#)

Why it matters

This historical white paper, prepared for the Florida Division of Workers' Compensation, explains differences between compounded medications and topical medications (including private label topicals). With both utilization and cost of these medications on the rise, Optum also provides recommendations to the state of Florida for addressing these trends.

Don't miss!

Page 3, which shows the top 5 dermatological pre-manufactured topical medications in the Florida workers' compensation system, by utilization and cost.

[Topical medications | Lower cost alternatives](#)

Why it matters

This presentation outlines potential concerns with topical medications, especially private label topical medications, and provides lower cost alternatives to these expensive medications.

Don't miss!

Slide 11, which provides inexpensive alternatives to Terocin™ Lotion, Terocin™ Patch, and NuLido™ Gel.



Data trends



Topical medications in workers' compensation

Why it matters

This presentation, from the “Features of the Medical Payment System” session of the 2023 Roger L. Williams National Regulators College, shows the upward trend of dermatologic topical use from 2018 to 2021. It includes state-by-state utilization and payment share trends and explains how certain states have responded.

Don't miss!

Slide 4, which shows a rise in cost share of prescription payments for dermatological agents in 28 states from 2018 to 2021.

Physician dispensing in workers' compensation and private-label topical medications

Why it matters

This white paper explains how both physician dispensing and private-label topical medications are affecting utilization and cost in the state of Florida, and how Florida is moving forward with balanced reforms.

Don't miss!

Page 3, which shows impact of the State's reforms on the prevalence of physician-dispensed prescriptions over a 2-year time period.



Podcasts



[Policy Guys Podcast - Episode 4: Evaluating necessity of topical medications in workers' comp and auto no-fault](#)

Why it matters

This podcast provides methods for monitoring topical medication treatments for injured person(s) to ensure appropriateness and mitigate unnecessary costs.

Don't miss!

At 3:46, Chief Clinical Officer, Tron Emptage, RPh, explains the reason for the recent concerns about topical meds in workers' compensation.

At 5:04, Tron explains what you can do to tackle topical medication use.

[Policy Guys Podcast - Episode 21: Policy roundabout](#)

Why it matters

This podcast explains what to watch out for regarding topical treatments and provides ways to monitor topical medication use.

Don't miss!

At 1:44, Chief Clinical Officer, Tron Emptage, RPh, explains that dermatological drugs have taken the top spot in therapeutic classes in utilization reports.

At 2:22, Policy Guys Kevin Tribout and Adam Fowler explain their work with states such as Mississippi and South Carolina, which are putting in place reimbursement caps on topical medications.



Learning tools



Private-label topical medications

Why it matters

This historical presentation describes the characteristics of private label topical medications, provides common examples, and explains concerns associated with these medications.

Don't miss!

Slide 5, which provides a list of inexpensive alternatives for expensive topical medications Terocin™ Lotion, Terocin™ Patch, and NuLido™ Gel.

Understanding topical medications

Why it matters

This recent presentation provides a general overview of topical medications: What are they? When and why are they used? What are they made from?

Don't miss!

Slides 7 and 8, which provide maps illustrating, by state, regulations and restrictions for compounded medications and physician dispensing/repackaging.

Slides 28 and 29, "Questions to ask while managing your claims."





About Optum Workers' Compensation and Auto No-Fault Solutions

Optum Workers' Compensation 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, managed care 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.

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