

OWCP changes how prescription drugs are dispensed



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Health care is not cheap in America. Health care expenses across the board have been rising, particularly prescription drug costs. In 2017, prescription drugs accounted for 10 percent of U.S. health spending but 21 percent of employer insurance benefits.*

In an effort to control the rising cost of drugs, the Office of Workers' Compensation Programs (OWCP) Division of Federal Employees' Compensation (DFEC) has contracted with pharmacy benefits manager First Script to

process prescription drugs for claimants covered under the Federal Employees' Compensation Act (FECA).

First Script's handling of prescription drug benefits will eliminate the need for prescription reimbursements, provide easy access for filling prescriptions, and include a mail-order option available for prescriptions filled for a period of more than 90 days. Additionally, First Script will be responsible for implementation of OWCP eligibility determinations and pricing for pharmaceutical drugs provided to FECA claimants.

Procedures for determining eligibility have not changed. Only medications that are allowable to treat the diagnosed condition accepted as work-related may be authorized. When a pharmacy requests authorization, it will be notified if the medication is payable.

All DFEC claimants will be required to use First Script for prescribed medication upon notification and receipt of a pharmacy card; the effective date of pharmacy cards will be printed on the cards themselves. Cards will be mailed in phases, and once a card is received, payment of drugs will not be authorized at the pharmacy based on the effective date printed on the recipient's card.

Injured workers affected by the change to First Script were divided into two groups. One group received a letter saying that use of the new benefits card would go into effect on Feb. 1. The other group was scheduled to receive a letter saying that use of the new benefits card would go into effect on March 1.

However, a protest regarding the First Script contract was filed with the Government Accountability Office (GAO). Consequently, the latter group of claimants will not receive notice of the program change until the protest has been adjudicated. Claimants who were already sent the new benefit card will use the First Script program. Claimants who were not mailed a new benefit card will continue to obtain prescription drugs as they had been. DFEC expects the protest to be adjudicated this spring.

The Postal Service has been using its own pharmacy benefit manager (PBM), Helios, to provide prescription drugs.

When fully in place, First Script will replace Helios as PBM.

While the First Script card is new, injured workers might be able to use the card at the pharmacy they currently use. Claimants can verify and search for participating pharmacies online at fecapbm.dol.gov.

First Script maintains a 24/7 dedicated call center (at 877-344-3811) for claimants who require assistance in locating or verifying a participating pharmacy or transferring a prescription. For claimants who already receive their medication through the mail, First Script will assist in transitioning retail pharmacy prescriptions to their voluntary mail-order program.

Additionally, claimants may use First Script for scheduling and delivery of durable medical equipment (DME), medical supplies, and ancillary services like physical therapy. As the Postal Service already has contracts with companies providing DME and physical therapy, Postal Service employees should use the providers USPS already has.

The use of First Script for DME, medical supplies, and ancillary services is voluntary; however, *use of the First Script pharmacy program is mandatory.*

PBMs started with the idea that their buying power would reduce health care costs and pass the savings on to consumers. They act like giant buying networks for drugs, representing consumers from multiple employers and insurers. In economic terms, they aggregate demand, which gives them leverage in the market to negotiate lower prices.

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By using the competition of the marketplace, such as generics, First Script should be able to move patients from more expensive brand drugs to less expensive versions. With the exception of the federal government, most large insurers and payers have used PBMs for years. OWCP is a late entry into the PBM market.

PBMs such as First Script are supposed to use the price concessions to benefit the insurer (OWCP), which, in turn, is supposed to pass the savings on to their customers (USPS). This could mean big savings for the Postal Service if First Script passes the savings on to OWCP, thereby lowering the annual chargeback to the Postal Service.

* Kaiser Family Foundation analysis of data from the Centers for Medicare and Medicaid Services and Truven Health Analytics