



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Health and Recovery Services Administration
626 8th Ave. S.E. • PO Box 45502
Olympia, WA 98504-5502

September 2009



SUBJECT: Prescribing patterns in comparison to peers

Dear Prescriber:

Over 90 percent of prescribers in Washington State comply with the State's Preferred Drug List (PDL) and make minimal use of Dispense as Written (DAW) prescribing for non-preferred drugs. However, Medicaid's current 63 percent generic fill rate falls far short of the 80 percent generic fill rates that represent "best practices" for private payers. **We need your help to reverse this trend.** We have included six therapeutic classes in this analysis:

- Proton Pump Inhibitors
- Statins
- Long-acting Opiates
- NSAIDs
- ADHD Medications
- 2nd Generation Anti-Depressants

You are receiving this letter because your prescribing in at least one of the six therapeutic classes suggests either:

- DAW1 rates for non-preferred brand drugs greater than 25 percent;
- Generic prescribing rates at less than 80 percent;
- Measuring at least one standard deviation (SD) from your peers in either DAW use or generic prescribing.

The attached report offers a comparison of your recent prescribing patterns in relation to your colleagues.

We ask that you review the data and your practice needs. We will be providing you quarterly reports and hope to work with you to improve generic and/or DAW1 rates. We realize that it is not possible for DSHS to know the clinical needs of your patients using claim data alone, and need your help in understanding your prescribing practices. If you believe your prescribing patterns represent medically necessary patient care, if you feel your peer comparison is not correct, or if you have questions, please send me a letter or call our contractor, Ingenix at 1-866-396-9479. Based on the new statute (HB5892), if we do not receive an explanation or improvement noted over the next three quarters and after consultation with the Chief Medical Officer, your status will be changed to a non-endorsing provider requiring prior authorization for non-preferred drugs in Medicaid. We understand this is a complex issue. Before any decisions are made, your review of the data is necessary so that you have an opportunity to change your prescribing practices, refute the data if it is inaccurate, or offer an explanation why your prescribing varies significantly from your peers.

Where does the data come from?

2008 Medicaid prescribing data identifies a total prescribing population of approximately 18,000 with 6,872 endorsing providers. More than 90 percent of providers use DAW1 less than 25 percent of the time on their scripts and have a generic performance greater than 80 percent. Approximately 500 providers have DAW1 and/or brand prescribing rates that are statistically aberrant from their peers. Another 1000 prescribers have DAW1 rates that are above 25 percent and/or generic rates that are below 80 percent.

Using data from your prescriptions, a baseline measurement will be set using claims data from Q1 2009. Below are examples and definitions of the feedback reports based on this data.

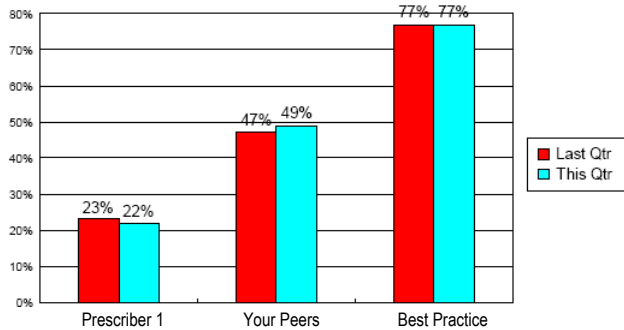
Example 1: Example of a Quarterly: Overall Prescribing Trends for the Six Classes

Your First Quarter 2009 Overall Prescribing and Trends Compared to Your Peers and "Best Practices"				
Six Therapeutic Classes			Claims Data for: Jan-Feb-Mar 2009	
Prescriber Name:	Prescriber 1			
Prescriber ID Number:	XX999999			
Peer	PRIMARY CARE			
	Your Numbers		Your Peer's Numbers	Best In Class
	Last Qtr	This Qtr	This Qtr	This Qtr
Total Prescriptions	332	318	71210	77098
Total Reimbursement	\$24,016.28	\$25,572.11	\$4,049,601.24	\$3,623,194.30
Total Medicaid Clients	129	107	24240	19066
% Generic Utilization	49.00%	47.00%	66.00%	73.00%
% DAW		19.00%	9.00%	5.00%
Reimbursement Amt per Client per Quarter	\$186.17	\$238.99	\$167.06	\$190.03
Reimbursement Amt per RX per Quarter	\$72.34	\$80.42	\$56.87	\$46.99
Net Change in Reimbursement Amount		\$1,555.83		
Net Change per Client per Quarter		\$52.82		

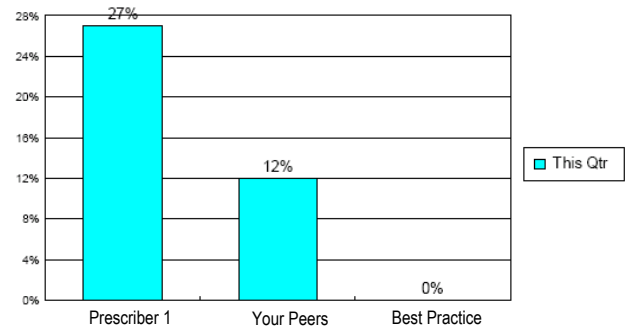
- **Overall Percent Generic utilization for the six classes:**
 - 1 SD from Prescriber's Peer or <80 percent (# generic Rx/total Rx).
- **Overall Percent DAW for an endorsing provider:**
 - 1 SD from Prescriber's Peer or >25 percent DAW1 of DAW eligible non-preferred drug claims (DAW/total drug claims).
- **Reimbursement and Net Change:**
 - Your pharmacy prescriptions and our payments from claims will be tracked by quarter and a net change will be reported to you. A negative number demonstrates a net reduction in costs.

Example 2: Example Quarter Report: Generic Fill Rate for Drug Class Name Compared to Peers and "Best Practices"

Your Quarter 1 2009 Generic Fill Rate For Statin-type Cholesterol Lowering Agents Compared to Peer and "Best Practices"



Your Quarter 1 DAW Rate For Statin-type Cholesterol Lowering Agents Compared to Peer and "Best Practices"



*** Indicates your percentage is more than 1 Standard Deviation from your peers**

These are examples of DAW1 and generic prescribing patterns for each class. Although this is quite a bit of information to digest, it gives a full picture of prescribing. You can see both areas for improvement and a comparison to peer and "best practices" prescribing. In this example the generic and DAW1 performance is compared to a peer and the best practice for statins. Both DAW1 and generic performance are statistically aberrant from a peer as marked by a star and measured by a Z statistic.

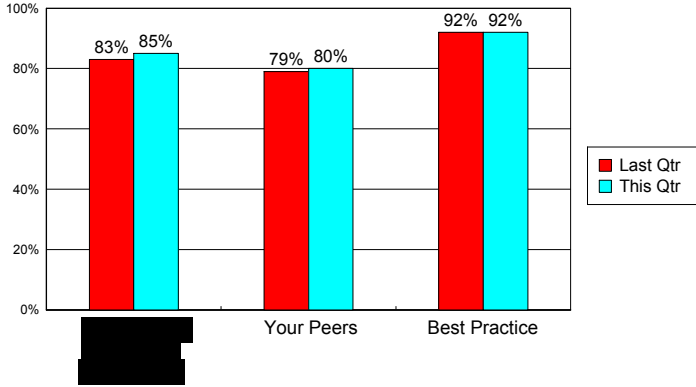
We thank you for your participation in this important initiative.

Sincerely,

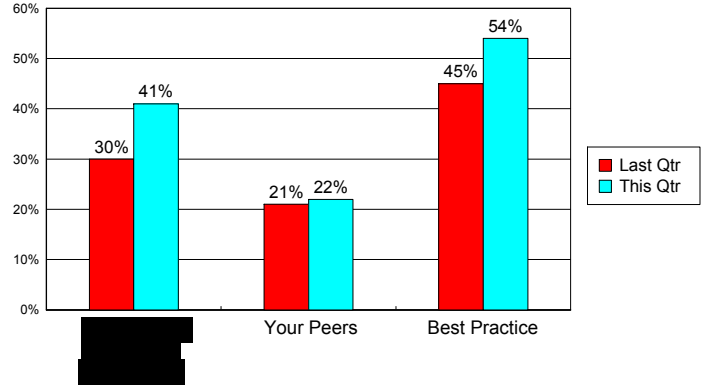
Jeffery Thompson, MD, MPH
 Chief Medical Officer
 Health and Recovery Services Administration

Figure 2: Your Quarter Report: Generic Fill Rate for Drug Class Name Compared to Peers and "Best Practices"

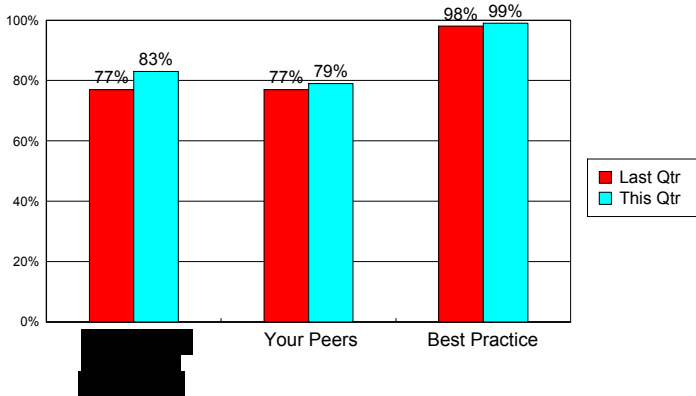
Your Quarter 1 2009 Generic Fill Rate For Second Generation Antidepressants Compared to Peer and "Best Practices"



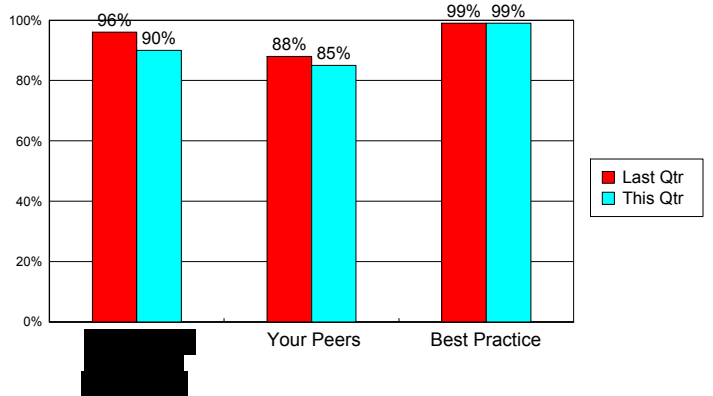
Your Quarter 1 2009 Generic Fill Rate For Attention Deficit/Hyperactivity Disorder Compared to Peer and "Best Practices"



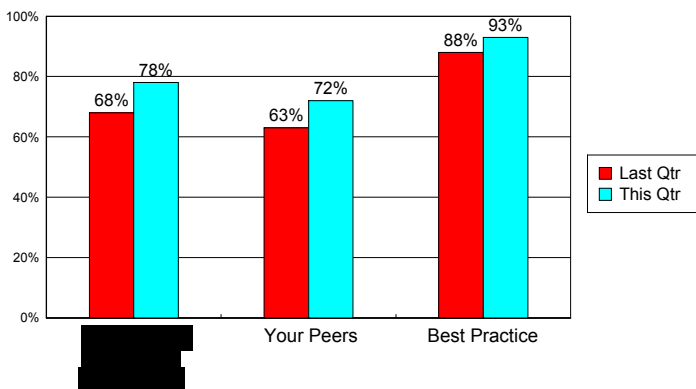
Your Quarter 1 2009 Generic Fill Rate For Long-Acting Opioids Compared to Peer and "Best Practices"



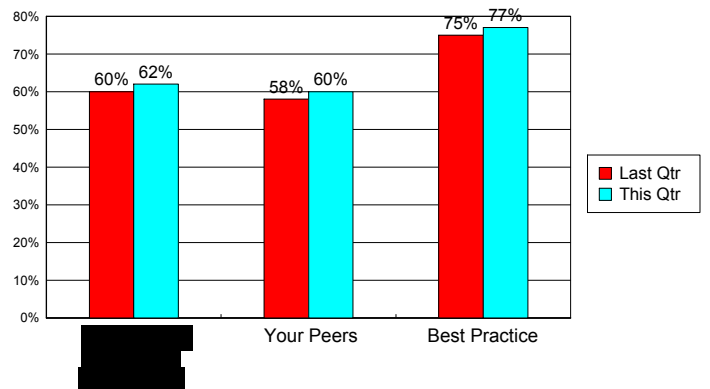
Your Quarter 1 2009 Generic Fill Rate For Nonsteroidal Anti-inflammatory Drugs Compared to Peer and "Best Practices"



Your Quarter 1 2009 Generic Fill Rate For Proton Pump Inhibitors Compared to Peer and "Best Practices"



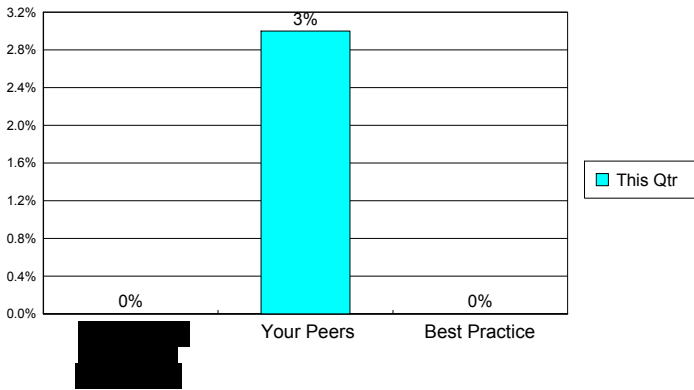
Your Quarter 1 2009 Generic Fill Rate For Statin-type Cholesterol Lowering Agents Compared to Peer and "Best Practices"



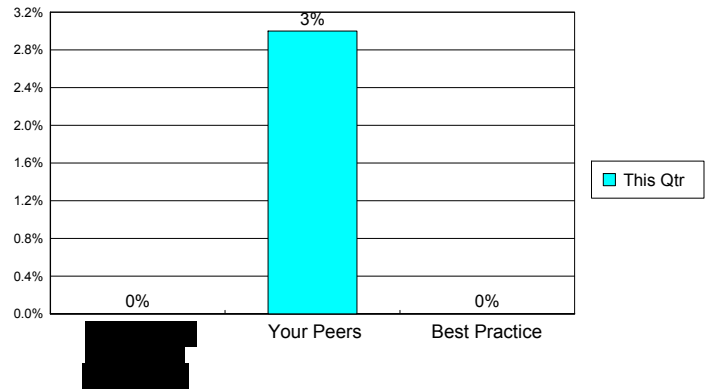
* Indicates your percentage is more than 1 Standard Deviation from your peers

Figure 3: Your Quarter Report: DAW Rate for Drug Class Name Compared to Peers and "Best Practices"

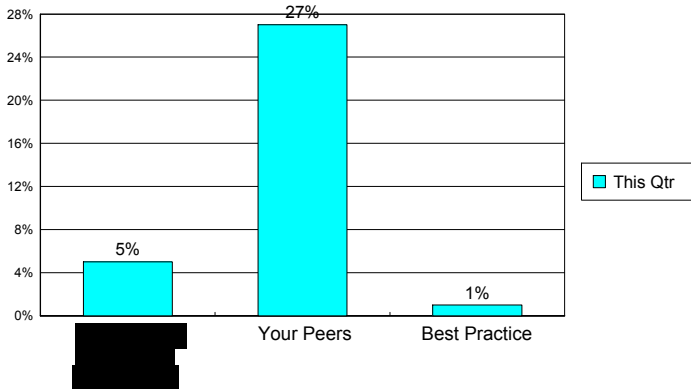
**Your Quarter 1 DAW Rate
For Second Generation Antidepressants
Compared to Peer and "Best Practices"**



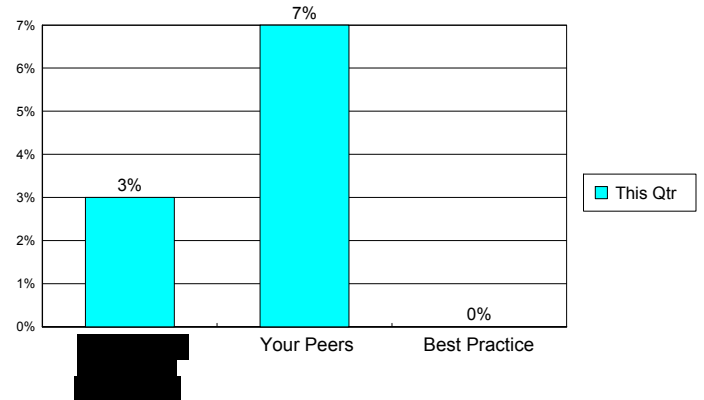
**Your Quarter 1 DAW Rate
For Attention Deficit/Hyperactivity Disorder
Compared to Peer and "Best Practices"**



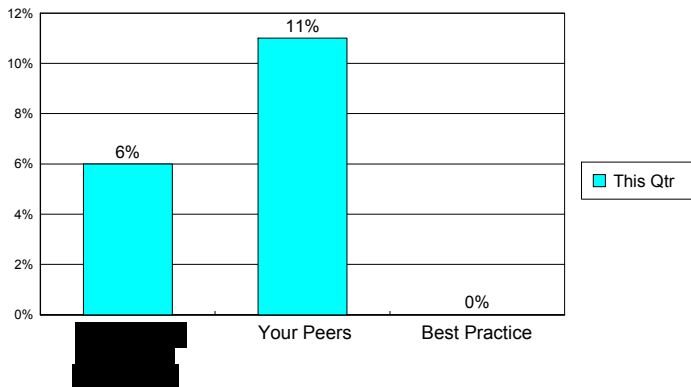
**Your Quarter 1 DAW Rate
For Long-Acting Opioids
Compared to Peer and "Best Practices"**



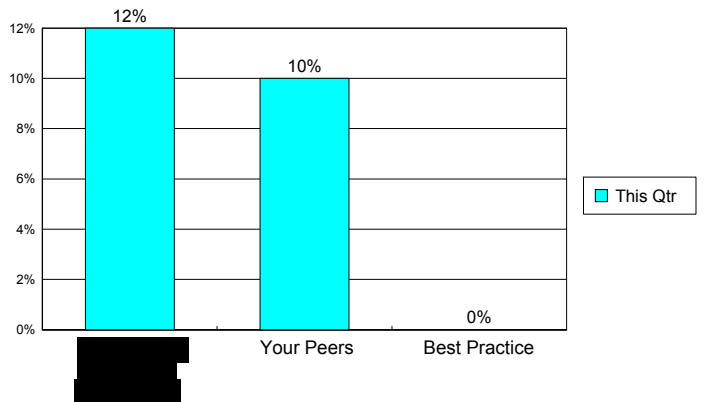
**Your Quarter 1 DAW Rate
For Nonsteroidal Anti-inflammatory Drugs
Compared to Peer and "Best Practices"**



**Your Quarter 1 DAW Rate
For Proton Pump Inhibitors
Compared to Peer and "Best Practices"**



**Your Quarter 1 DAW Rate
For Statin-type Cholesterol Lowering Agents
Compared to Peer and "Best Practices"**



* Indicates your percentage is more than 1 Standard Deviation from your peers