

Workers Compensation Drug Formulary: Combating The Life Threatening Opioid Crisis

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**Disclosure Statement:
Work Loss Data Institute / ODG**

Independent database & Guideline tool development company founded in 1995 focused on workplace health, absence & productivity.

Publisher of The Official Disability Guideline / ODG Product Line
Evidence-Based Medical Treatment Guidelines – 13th Annual Edition
Evidence-Based Official Disability Guidelines - 20th Annual Edition

- Most widely used Workers' Comp Guideline in the world
- Web version, mobile app & data integration
- Advisory Board of more than 100 doctors and practitioners spanning all specialties
- Based upon with transparently ranked Evidence-based medicine (EBM)
- Designed to serve the dual mandate: Safeguard and expedite access to quality care while limiting unwarranted, excessive or inappropriate care

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**United States CDC:
Improving Quality of Care & Outcomes**

- Improving the way opioids are prescribed through clinical practice guidelines can ensure patients have access to safe, effective treatment while reducing the number of people who misuse, abuse, or overdose from these powerful drugs.
- Informing agencies, providers, and medical/professional organizations about evidence-based practices that can improve patient outcomes.

Content source: [Centers for Disease Control and Prevention, National Center for Injury Prevention and Control, Division of Unintentional Injury Prevention](#)
Page last updated: June 12, 2014

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The Soaring Cost of the Opioid Economy
New York Times: June 22, 2013

The stronger the opioid, the higher the expense.

Average claim cost without use of opioids: \$13,000

Cost with short-acting opioid like Percocet: \$39,000

Cost with long-acting opioid like OxyContin: \$117,000

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The Soaring Cost of the Opioid Economy

New York Times: June 22, 2013

- Between 2001 and 2008, narcotics prescriptions as a share of all drugs used to treat workplace injuries jumped 63 percent.
- In California, workplace insurers spent \$252 million on opioids in 2010, which represented about 30 percent of all prescription costs; in 2002, opioids accounted for 15 percent of drug expenditures.

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All Formularies Are Not A Good Fit for Workers Compensation

- Workers Compensation coverage affords treatment required to restore the Patient to Maximum Medical Improvement and/or ongoing care as medically necessary.
- Workers Comp Formularies derived from Evidence Based Medicine reflect medical appropriateness; NOT drug costs, discounts, rebates or incentives from manufacturers and distributors.
- Group Health Formularies are based upon predefined set benefits, coverage, co-pays and deductibles knowingly purchased and factored into premium pricing. Net costs to insurers and profit structures are factors in the Formulary development.

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Evidence Based Medicine (EBM) Formularies Can Afford:

- Safeguards for Patients against risky, questionable and inappropriate care involving prescription medications
- User friendly framework to address Patient specific needs
- Improved Patient outcomes, quality of life and function
- Decreased substance abuse, overdoses & deaths
- Identification of "pre-approved" medications versus medications requiring expedited pre-authorization with substantiation of need
- Improved reserve setting, cost containment and MSA's

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EBM Formularies Empower Medical Providers

- Decrease adversarial relationship with Patients and enable Physicians to "Just Say No"
- Expedite authorizations and medical reviews
- Consider the picture within the picture within the picture; the specific drug versus the alternative drug options versus the alternatives to drugs.

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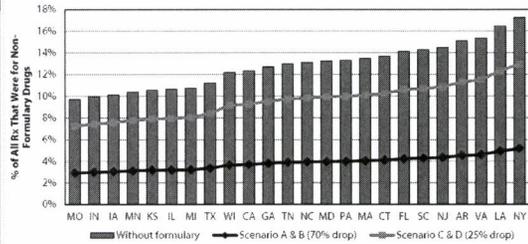
Impacts of Texas Adoption of Workers Compensation Drug Formulary

- 2014 Workers Compensation Research Institute Study "Impact of a Texas-Like Formulary in Other States" http://www.wcrinet.org/whats_new.html
- 70 % Reduction in Non-Formulary Prescriptions
- Physicians infrequently substitute formulary drugs for non-formulary drugs.
 - Medical/drug costs both down 30% (opioid costs down 81%)
- NASI Study: Texas new lowest cost state in the U.S.

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WCRI Findings

Figure 4.1 Estimated Percentage of All Prescriptions That Were for Non-Formulary Drugs under Different Scenarios, 2011/2012



Notes: The underlying data include prescriptions for claims with more than seven days of lost time that had prescriptions filled over the defined period and paid for by a workers' compensation payor. 2011/2012 refers to claims with injuries occurring from October 1, 2010, to September 30, 2011, and prescriptions filled through March 31, 2012. Texas data are predominantly pre-formulary.

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WCRI Predictions With Application of Formulary

Table 2.2 Key Assumptions About Physician Responses for Estimating Post-Formulary Impact in Other States

	Reduction in Prescribing Non-Formulary Drugs by Seeking Preauthorization	Substitution of Non-Formulary Drugs with Drugs That Do Not Require Preauthorization
Scenario A (Texas experience)	70%	-0%
Scenario B	70%	100%
Scenario C	25%	-0%
Scenario D	25%	100%

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Table 1.1 Prevalence and Costs of Brand Name Medications among Non-Formulary Drugs, 2011/2012

State	SCENARIO A % Reduction in Rx Costs	SCENARIO B % Reduction in Rx Costs	SCENARIO C % Reduction in Rx Costs	SCENARIO D % Reduction in Rx Costs	% Non-Formulary Drug Rx That Were Brand Name (key factor magnify effect)	% Non-Formulary Drug Rx That Were Disposed by Physicians (key factor mullify effect)
Arkansas ^a	19%	7%	0%	3%	40%	2%
California ^a	14%	4%	4%	2%	32%	42%
Connecticut ^{a,c}	21%	10%	7%	4%	38%	25%
Florida ^a	19%	8%	6%	3%	35%	30%
Georgia ^a	15%	5%	5%	2%	30%	16%
Illinois ^a	17%	8%	5%	3%	31%	30%
Indiana ^a	16%	8%	5%	3%	33%	6%
Iowa ^a	17%	7%	5%	3%	35%	3%
Kansas ^a	16%	6%	5%	3%	32%	4%
Louisiana ^a	18%	5%	6%	2%	30%	5%
Maryland ^a	20%	10%	6%	3%	30%	36%
Massachusetts ^a	23%	12%	7%	4%	33%	0%
Michigan ^a	19%	11%	6%	4%	24%	6%
Minnesota ^a	17%	9%	6%	3%	32%	0%
Missouri ^a	14%	5%	4%	2%	26%	11%
New Jersey ^a	25%	14%	8%	5%	49%	3%
New York ^a	29%	16%	9%	6%	57%	0%
North Carolina ^a	18%	8%	6%	3%	35%	3%
Pennsylvania ^a	22%	12%	7%	4%	41%	15%
South Carolina ^a	17%	5%	5%	2%	26%	9%
Tennessee ^a	18%	7%	5%	3%	31%	11%
Texas ^a	17%	8%	5%	3%	34%	2%
Virginia ^a	24%	12%	7%	4%	34%	5%
Wisconsin ^a	19%	9%	6%	3%	40%	6%

Notes: The underlying data include prescriptions for claims with more than seven days of lost time that had prescriptions filled over the defined period and paid for by a workers' compensation payor. 2011/2012 refers to claims with injuries occurring from October 1, 2010, to September 30, 2011, and prescriptions filled through March 31, 2012. Texas data are predominantly pre-formulary.

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The Impact of Narcotics & Opioids on Function

- Functional Impairment
 - Activities of daily living
 - Work abilities
- Decreased Motivation
- Decreased chance of returning to productive pre-injury levels of functioning due to taking on the role & identity of “The Disabled Over-medicated Patient” and “The Diagnosis”

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Inappropriate & Unnecessary Prescriptions for Medications

- Studies show that over 80% of patients get what they ask for drugs, testing, referrals, etc.
- Avoiding Conflict - Why don't docs “Just Say NO”
- Over 80% of narcotics are prescribed by less than 10% of the prescribers
- Bolstering perception of severity
- Drug seekers – need vs. addiction vs. diversion

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Inappropriately Accessed Prescribed Drugs

- Over 50% of prescribed medications are consumed by individuals other than those they have been prescribe for.
- Points of access other than Prescribers:
 - The generous helping hand
 - The medicine cabinet
 - Let's “party”
- Guns get locked up, but medications do not.

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^{CDC} Vitalsigns™

- Enough prescription painkillers were prescribed in 2010 to medicate every American adult around-the-clock for a month.
- 41,610 annual (114 daily) prescription overdoses in 2012; an increase of 117% from 1999
- Nearly 15,000 people died in 2012 of overdoses involving prescription painkillers, exceeding the deaths from motor vehicle accidents.
- 2.5 million annually were treated in emergency departments (ED) for the misuse or abuse of drugs in 2012.
- 420,040 ED visits were related to opioid analgesics in 2011
- In 2010, 1 in 20 people in the US (age 12 or older) reported using prescription painkillers for nonmedical reasons in the past year.

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Drug Overdose Deaths in the USA

41,502 drug overdose deaths in 2012

33,175 (79.9%) unintentional	5,465 (13.2%) suicidal intent
80 (0.2%) homicides	2,782 (6.7%) undetermined intent

Some deaths in 2012 include more than one type of drug with significant overlap in the following categories:

22,114 (53%) were related to pharmaceuticals
16,007 (72%) involved opioid analgesics
6,524 (30%) involved benzodiazepines

Female deaths from prescription painkiller increased more than 400% between 1999 and 2013, compared to 265% among men.

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Nearly 48,000 women died of prescription painkillers between 1999 and 2010.

Child Drug Overdoses in the USA

- Between 2004 and 2005, an estimated 71,000 children (18 or younger) were seen in EDs each year because of medication overdose (excluding self-harm, abuse and recreational drug use).
- Among children under age 6, pharmaceuticals account for about 40% of all exposures reported to poison centers.

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