Opioids and Workers’ Compensation

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Commitment Beyond Numbers

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About the Presenters

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  • Principal and Consulting Actuary

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  • Professor & Executive Vice-Chair, UCLA Department of Family Medicine at the David Geffen School of Medicine at UCLA
  • Executive Director & Co-founder of the UCLA International Medical Graduate Program
  • Medical Director, ReClaim
  • Faculty, UCLA Dept. of Family Medicine Addiction Med. Fellowship

• **Paul E. Dassenko, JD**
  • R&Q Health Interests
  • Senior Advisor
Outline

• Opioid Epidemic & Consequences

• UCLA & R&Q Health: What Success Looks Like

• R&Q Health: Re-Imagining Management of High-Cost, Complex Patients

• Q&A
Everywhere You Look...

- CBS News
  America's opioid epidemic
  Inside America's growing struggle with opioid painkillers and heroin addiction

- NY Times
  Short Answers to Hard Questions About the Opioid Crisis

- Huffington Post
  OPIOID EPIDEMIC
  In New York State, A Glimmer Of Good News About The Opioid Crisis
  By Erin Schumaker
  How My Overdose Saved My Life
  By Amy Parker, Contributor
  Certified Chemical Dependency Counselor Assistant & Long Term...
Opioid Epidemic - Background

• Rapid increase in use in the U.S. and Canada in the 2010s
• Prescription and non-prescription opioid drugs
• Potency and availability made them popular
  – Late 1990s pharmaceutical companies reassured medical community that patients would not become addicted
  – Led healthcare providers to begin using opioids in the late 1990s to treat chronic pain (not related to cancer), such as arthritis and back pain
• Many used for medical treatments and recreational use
• Sedative effects can lead to respiratory failure and death
Opioids

- Morphine
- Codeine
- Heroin
- Hydrocodone (Vicodin, Lortab)
- Methadone
- Oxycodone (Percocet, OxyContin)
- Hydromorphone (Dilaudid)
- Meperidine (Demerol)
- Fentanyl (50-100 times potency of morphine)
  - Blended with heroin to dramatically reduce production cost
  - 1 bag can cost as little as a pack of cigarettes
Opioids Overdose Epidemic by the Numbers

- Number of emergency department visits involving non-medical use of opioid analgesics increased from 144,600 in 2004 to 305,900 in 2008
- Treatment admissions for primary abuse of opiates other than heroin increased from 1% of all admissions in 1997 to 5% in 2007
- Overdose deaths due to prescription opioid pain relievers have more than tripled in the past 20 years, escalating to 16,651 deaths in the United States in 2010

Source: National Institute on Drug Abuse
Opioids Overdose Epidemic by the Numbers (cont.)

• From 1999-2008, overdose death rates, sales and substance abuse treatment admissions related to opioid pain relievers all increased substantially (CDC - MMWR Weekly - 11/4/11)
• By 2015, annual overdose deaths surpassed deaths from both car accidents and guns (CDC)
• Drug overdoses have since become the leading cause of death of Americans under 50, with two-thirds of those deaths from opioids (NY Times 6/5/2017)
U.S. Opioid Overdose Deaths 2000-2015

Overdose Deaths Involving Opioids, United States, 2000-2015

- Any Opioid
- Commonly Prescribed Opioids (Natural & Semi-Synthetic Opioids and Methadone)
- Heroin
- Other Synthetic Opioids (e.g., fentanyl, tramadol)

Opioid Pain Reliever (OPR) Rates
Opioid Prescriptions Dispensed by U.S. Retail Pharmacies

Sources of Rx Opioids Among Past-Year Users

Sources of Prescription Opioids Among Past-Year Non-Medical Users

- Given by a friend or relative for free
- Prescribed by ≥1 physicians
- Stolen from a friend or relative
- Bought from a friend or relative
- Bought from a drug dealer or other stranger
- Other

Percent of Users

Number of Days of Post-Year Non-Medical Use

Any
1-29
30-99
100-199
200-365

11


a Obtained from the US National Survey on Drug Use and Health, 2008 through 2011.
b Estimate is statistically significantly different from that for highest-frequency users (200-365 days) (P<.05).
c Includes written fake prescriptions and those opioids stolen from a physician’s office, clinic, hospital, or pharmacy; purchases on the Internet; and obtained some other way.
Opioid Addiction

- Roughly 21-29% of patients prescribed opioids for chronic pain misuse them
- Between 8-12% develop an opioid use disorder
- An estimated 4-6% who misuse prescription opioids transition to heroin
- About 80% of people who use heroin first misused prescription opioids

Source: National Institute on Drug Abuse
Relationship Between Prescription Opioids and Heroin Abuse

Source: National Institute on Drug Abuse
High Opioid Prescribing Area Characteristics

• In 2015, six times more opioids per resident were dispensed in the highest-prescribing counties than in the lowest-prescribing counties

• County-level characteristics, such as rural versus urban, income level and demographics only explained about a third of the differences; suggests people receive different care depending on where they live

• Some characteristics of counties with higher opioid prescribing:
  – Small cities or large towns
  – Higher percentage of white residents
  – More uninsured or underemployed people
  – More with diabetes, arthritis and disabilities

Source: CDC Vital Signs, July 2017
Opioid Prescriptions Variability by State

Some states have more opioid prescriptions per person than others.

Number of opioid prescriptions per 100 people

- 52-71
- 72-82.1
- 82.2-95
- 96-143

SOURCE: IMS, National Prescription Audit (NPA™), 2012.
Wide Variation in Opioid Prescribing Among U.S. Counties

The amount of opioids prescribed per person varied widely among counties in 2015.

MME PER PERSON
- Insufficient data
- 677 - 958
- 0.1 - 453
- 454 - 676
- 959 - 5,543

Source: CDC Vital Signs, July 2017
Opioids and Workers’ Comp (WC) Claims

- Opioids generally prescribed for WC claims for three reasons:
  - Injury involving surgical treatment which necessitates immediate pain control
  - Catastrophic injury with chronic pain
  - General pain control

According to Mark Pew, senior vice president of business development for PRIUM
Opioids and WC Statistics

• With prescriptions for certain opioid painkillers prescribed in WC injuries, claims were almost four times as likely to have a total cost of $100,000 or more, compared to claims without any prescriptions, according to Accident Fund Holdings after processing more than 12,000 WC claims
• Opioids constitute up to 3% of all medical costs in shorter claims and between 15-20% in longer-term claims, according to WCRI study analyzing long-term opioid use in 21 states
• In 2014, 27.2% of all WC prescriptions were opioids. (CWCI)
• California WC insurers spend almost $100M annually drug testing
Opioids, Workers Compensation and More

• Washington State Department of Labor found that receiving more than a one-week supply of opioids, or two or more opioid prescriptions soon after an injury, doubles a worker’s risk of disability at one year post-injury, compared to workers who do not receive opioids
  – Disability and absence management implications

• Appellate courts in four states have held that employers and insurers are financially accountable for overdose deaths tied to injured workers
Opioids and Work-Related Back Injuries

- Many work-related claims involve back injuries
- Increasingly, doctors are prescribing opioids both short- and long-term to address back pain
  - This is despite broad medical recommendations against long-term use of opioids in back-injury cases
- 42% of workers with back injuries got an opioid prescription in the first year post-injury
- One year post-injury, 16% of those workers were still getting opioids

Source: American College of Occupational and Environmental Medicine
The opioid crisis and its impact are **real**

- Treating chronic, non-cancer-related pain for more than 90 days led to a higher likelihood of a person developing an opioid use disorder compared to someone not prescribed opioids.

- Prescription opioids are a significant gateway to heroin use.

- Nationally, deaths are rising largely due to use of illicit opioids, such as heroin and fentanyl.
Potentially Lethal Combinations: The Holy Trinity

Most opioid-related deaths also tested positive for multiple substances
Who’s At Risk?

Risk Factors for Prescription Painkiller Abuse and Overdose

- Obtaining overlapping prescriptions from multiple providers and pharmacies.
- Taking high daily dosages of prescription painkillers.
- Having mental illness or a history of alcohol or other substance abuse.
- Living in rural areas and having low income.
Opioids As Gateway Drug

1 in 5 started illicit drug use with prescription drugs

4 in 5 new heroin users had previously misused Rx opioids
Addiction/Opioid Dependence

• Terminology is confusing to courts, insurers and healthcare professionals
  – Opioid Use Disorder (Addiction)

• Addiction is a brain disease fueled by the “feel-good” brain chemical Dopamine

• Legal and illegal drugs change the chemistry of our brains by activating and strengthening the “pleasure” response stimulated by Dopamine
UCLA Primary Care Patients with High-Dose Opioids, 2014-2017

697 Distinct Cases (Patient ID) as of 4/2017
ER-Only Visits by Opioid Use

Comparing: 1) Patients taking > 100 MME/day vs. 2) Patients at high risk for opioid abuse* vs. 3) Patients not at risk

*Any of the following: ER visit with opioid prescribed, history of substance abuse, multiple opioid prescribers in past year.
Emergent Hospitalizations by Opioid Use

Comparing: 1) Patients taking > 100 MME/day vs. 2) Patients at high risk for opioid abuse* vs. 3) Patients not at risk

*Any of the following: ER visit with opioid prescribed, history of substance abuse, multiple opioid prescribers in past year.
Emergency Department (ED) Visits Involving the Nonmedical Use of
Selected Narcotic Pain Relievers: 2004 and 2011

Source: Drug Abuse Warning Network, 2011
Healthcare Utilization

Rx Opioid-related \(^a\) ED Visits and Hospitalizations in LAC, 2006-2013

- Hospitalizations
- ED Visits

- 30% from 2006 to 2013
- 171% from 2006 to 2013

\(^a\) Any Rx opioid-related diagnosis or external cause of injury.

Healthcare utilization among Rx opioid misusers/abusers greatly increased in recent years.
A System-Wide Approach to Reducing Opioid Use

1. California’s web-based, physician drug monitoring program (pdmp), the Controlled Substance Utilization & Evaluation Systems (CURES), requires prescriber to review CURES prior to prescribing schedule II-IV controlled substances for more than 5 days.

2. Interdisciplinary teams efficiently implement evidence-based science throughout the health system utilizing rapid cycle change processes.

3. UCLA & R&Q Health collaborate to create ReClaim, a successful innovative model for injured workers.

4. Department of Family Medicine AMED fellowship began July 2017, where WC topics have been integrated into the curriculum.

5. Integrated Pain Program (Dept. of Anesthesiology): A partnership with Center for Behavioral and Addiction Medicine (CBAM) occurring as inpatient and outpatient.
ED Only Visit Rate Per 1000 Patient-Years

Overall ED only visit rate: 451 per 1000 patient-years
This measure is decreasing at a rate of 21 annually toward the target
A Chronic Care Model for Injured Workers

The Chronic Care Model

Community
- Resources and Policies
- Self-Management Support

Health Systems
- Organization of Health Care
  - Delivery System Design
  - Decision Support
  - Clinical Information Systems

Improved Outcomes
- Informed, Activated Patient
- Productive Interactions
- Prepared, Proactive Practice Team

Developed by The MacColl Institute
© ACP-ASIM Journals and Books
# UCLA & R&Q Health: Engaged Injured Workers

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<tr>
<th>Injury Yrs</th>
<th>Injury Type</th>
<th>Initial Meds</th>
<th>Approx MED Levels</th>
<th>Tapering # of Mos</th>
<th>ReClaim # of Mos</th>
<th>Total Mos</th>
<th>Successful Transition to Suboxone/Butrans Patch</th>
<th>Ending MED Level</th>
<th>Decrease in MED Level</th>
<th>Case Settled</th>
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<td>7.5</td>
<td>10.1</td>
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<td>0</td>
<td>100%</td>
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<td>5.3</td>
<td>10.8</td>
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<td>N/A</td>
<td>N/A; Significantly reduced</td>
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<td>17</td>
<td>Knee &amp; lowback</td>
<td>1. OxyContin 30mg 2. Hydrocodone 20 mg/Acetaminophen 325 mg 3. Nucynta 75 mg</td>
<td>325</td>
<td>0.0</td>
<td>0.8</td>
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<td>0</td>
<td>100%</td>
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<td>1,000</td>
<td>1.1</td>
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<td>5.1</td>
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</tr>
</tbody>
</table>
Proven RESULTS with WC Patients
Unprecedented Successes with Challenging WC Patients
• Injured workers do engage, and many are committed and want to reduce and/or eliminate opiates

• Partnership works because:
  – AMCs are on the cutting edge of research and our healthcare delivery design expedites clinical integration of evidence-based science
  – Pre-screened, pre-authorized and pre-educated patients are crucial to gain the trust of the injured worker referred for consultation
  – ReClaim’s team: AMED, FMED, MSK, PMED, YMED and PSYCH Dialogue with the referring PTP and ongoing communication directly with R&Q Health
Working Together to Address the Opioid Crisis

Enabling Value-Based Healthcare
Addressing the Opioid Crisis by Bridging a Structural Gap

- The Problem
  - Inappropriate pharmaceutical prescription and usage, especially opioids
  - Utilization of opioids in California’s WC system now comprises the single largest category of pharmaceuticals at 24.4%
  - Case reserves for individual patients can amount to millions of dollars
  - An industry resistant to change
    - Despite spending > 17% of WC premiums on medical management & other expenses, the WC industry spends very little on actual treatment
    - Focus on the Rx cost and not the TOTAL Medical Cost
    - Perception that it’s not worth the investment to treat addiction
A Simple Idea

• R&Q’s Concept: Higher clinical quality can immediately improve the lives of patients and actually **reduce** their long-term healthcare costs

• In 2014, R&Q and the University of California (UC) created a bridge between WC payors and leading academic hospitals
  — Streamlined pathway to connect claimants with world-class facilities
  — Access to **multidisciplinary** clinical programs with better outcomes
  — Initial focus on pain and opioid addiction

• Objectives: Help people get their lives back, help employers get their people back to work and reduce WC claims costs.
A Strategic Partnership

- Opioids are now a U.S. health epidemic
- ACEs have already been developing creative new programs for “Complex Populations”
- WC patients are a perfect fit for ACE opioid programs.
- WC payors carry lifetime medical reserves
  - Economic incentive to invest in effective treatments.
- Structural barriers exist in WC
  - Fee-for-service approach
  - Paperwork, bureaucracy, inability to engage with the patient over time
  - R&Q’s model overcomes these
Higher Clinical Quality = Lower Total Costs

• Preauthorized, Bundled Multispecialty Programs

  – R&Q’s exclusive contracts for direct access to specialty workers compensation programs with world renowned ACE’s

  – Fixed (bundled) pricing

  – R&Q Health's specialty contracting arrangements
The “Pre-Authorized” Workers Compensation Model

Employer
TPA
Injured Worker
Attorney
MPN

WC System

PTP

Case Pre-screening

Clinical Oversight

Billing & Contracting
- Client Medical Advisory Board
- National partners
  - Case Identification/PBM screens
  - Peer to Peer process
  - UR Services
- Medical Director
  - Patient Screening
  - WC Reporting
  - Exception handling
- Dedicated Case Coordinator
  - Education (Patient + Client)
  - Travel Arrangements
  - Reporting Systems
  - QA
- Operations Manager
  - Insurance Approvals
  - Reporting/Exception Handling

Expert Services

Billing on WC Forms (Multiple Payors)

Billing & Contracting

R&Q Single Payor

Utilization Review Processes, Fee for Service, Retrospective Bill Review

R&Q Logo

World Class Academic Interdisciplinary Programs

Role: Specialty Provider, no PTP

Services offered:
- Orthopedic Surgery
- Functional recovery
- Integrated Addiction Programs
- Integrated Outpatient Pain
- Other services (i.e. Tapering with CBT, PM, MSK, Psychology)
Proven RESULTS with Workers Compensation Patients
A 9.6% No Show Rate
Takeaways

- Opioid costs > near-term Rx costs alone
- Massive long-term problem requires a re-engineered approach
- Preauthorization allows for patient engagement
- Concierge access to bundled interdisciplinary programs at leading ACEs like:
  - UC Health
  - The Shirley Ryan AbilityLab (Chicago)
- Better outcomes = lower lifetime medical costs = claims closure
Conclusions

• Opioids will continue to be a long-term problem for WC payors

• Cutting Rx costs alone is insufficient

• Lifetime healthcare cost trajectories are already in motion

• WC patients can be helped

• Payors can help injured workers and alter the long-term cost trajectory

• Success requires new business models such as the UCLA/R&Q partnership
Questions
Join Us for the Next APEX Webinar

State of the UBI Market

Join Pinnacle Consulting Actuaries Gary Wang and Michael Chen as they discuss the latest trends in the personal auto insurance market, the connected car environment (telematics, autonomous vehicles, etc.) and their impact on insurance products.
Final Notes

- We’d like your feedback and suggestions
  - Please complete our survey

- For copies of this APEX presentation
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Thank You for Your Time and Attention

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