



**Highlights Of WCRI Research**

Casualty Loss Reserve Seminar  
September 19, 2016



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**Topics Covered In Today's Discussion**

- Trends in medical payments: recent experiences in Illinois, North Carolina, and California
- General medical trends in multiple states
- Impact of physician dispensing reforms
- Interstate variation in opioid use

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**About WCRI And Our Mission**

- Independent, not-for-profit research organization
- Mission:  
"Be a catalyst for improving WC systems by providing the public with high-quality, credible information on important public policy issues."
- Diverse membership support
- Peer-reviewed studies with a focus on benefit delivery
- Do not make recommendations or take positions; serve as a resource for public officials & stakeholders
  - Content-rich website: [www.wcrinet.org](http://www.wcrinet.org)

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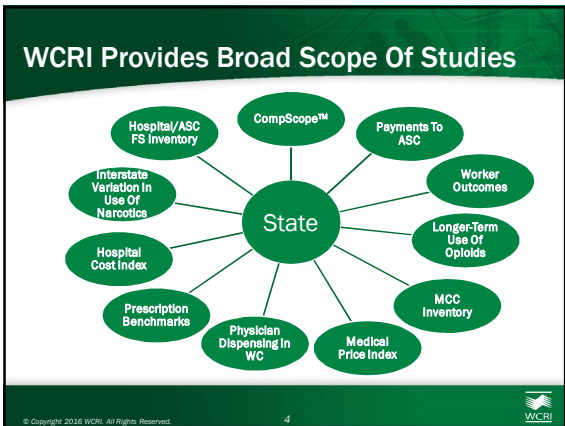
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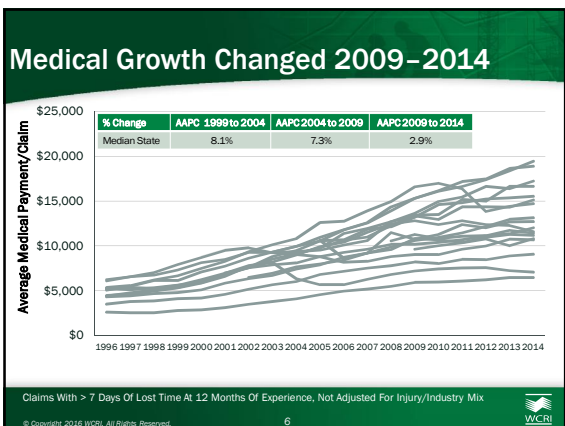
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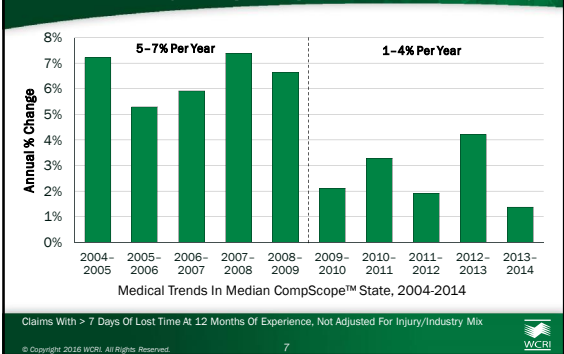
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### Slower Growth In Medical Payments/Claim Since 2009 (CompScope™ State Median)




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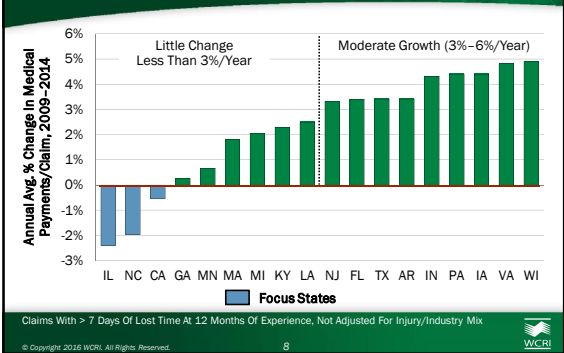
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### Medical Payments Per Claim Were Fairly Stable In Half Of 18 States, 2009-2014




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### State Policy Changes A Key Factor In Stable Medical Payments Per Claim Since 2009

- ➔ **IL: 2011 legislation addressed higher medical costs, including 30% reduction in fee schedule rates**
  - **NC: Policy focus on lowering hospital outpatient payments per service a factor in medical trend**
  - **CA: Medical payments per claim decreased post-SB 863 largely because of reimbursement changes**
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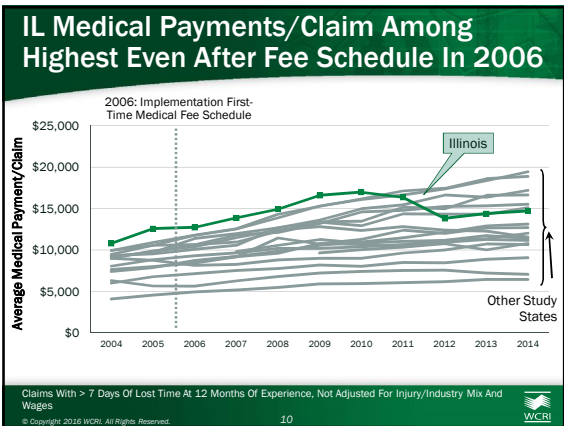
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### 2011 Legislation Focused On Changes In Reimbursement To Address IL Medical Costs

Provision*	HB 1698	Prior Law
Fee Schedule Rates	Reduced by 30%	Fee schedule introduced in 2006
Regional Fee Schedules (eff. Jan. 1, 2012)	4 for nonhospital; 14 for hospital providers	29 regions
Reimbursement For Out-Of-State Treatment	The lesser of the state FS where worker resides or IL FS	The greater of 76% of charges in IL or FS in state where treatment rendered
Reimbursement Of Implants	25% above net manufacturer's invoice price	65% of charges

Key: FS: Fee Schedule  
\* Effective For Services Delivered On/After September 1, 2011

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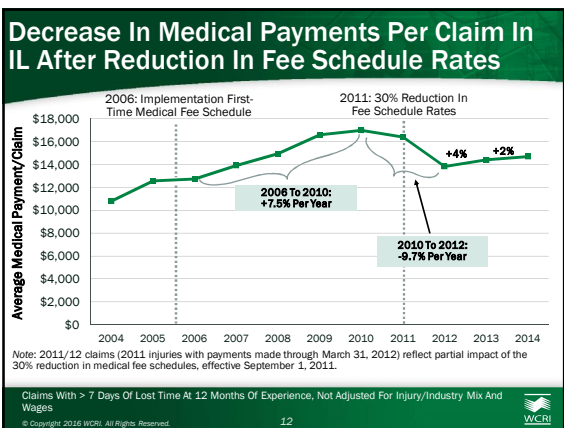
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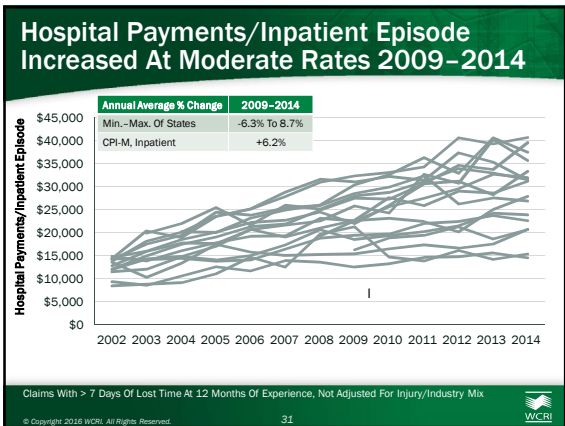













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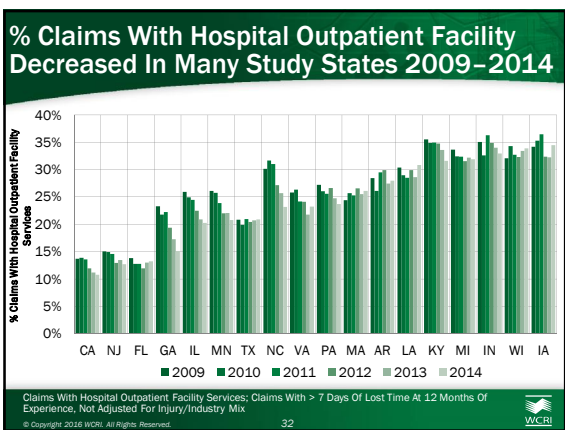
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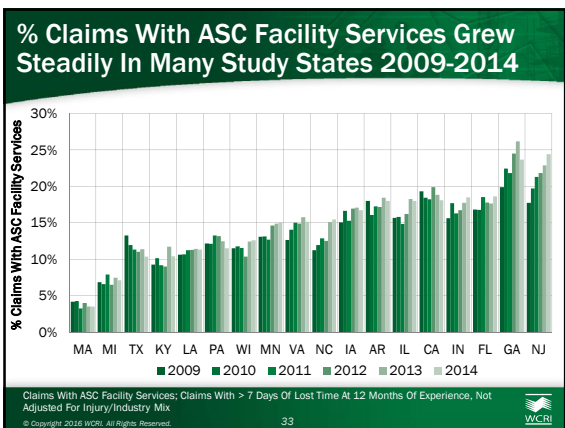
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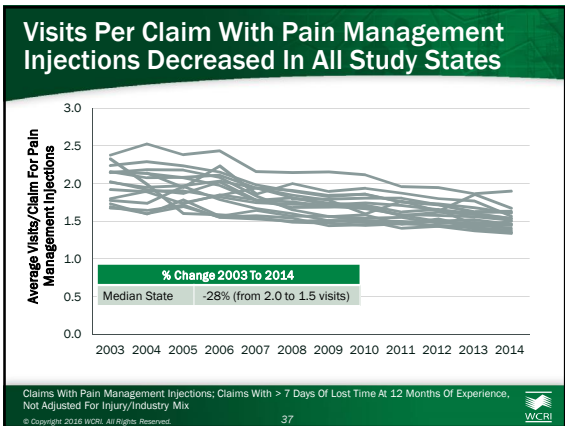
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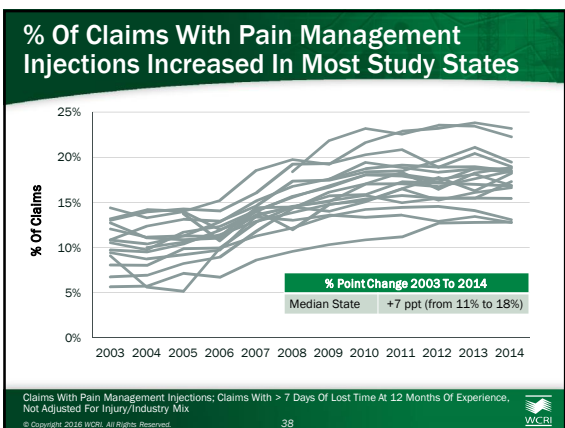
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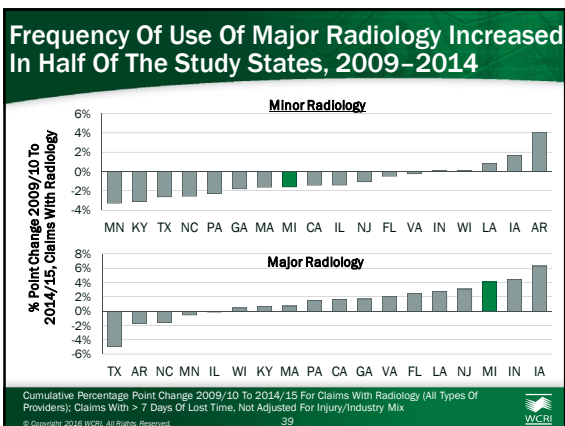
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### Topics Covered In Today's Discussion

- Trends in medical payments: recent experiences in Illinois, North Carolina, and California
- General medical trends in multiple states
- **Impact of physician dispensing reforms**
- Interstate variation in opioid use

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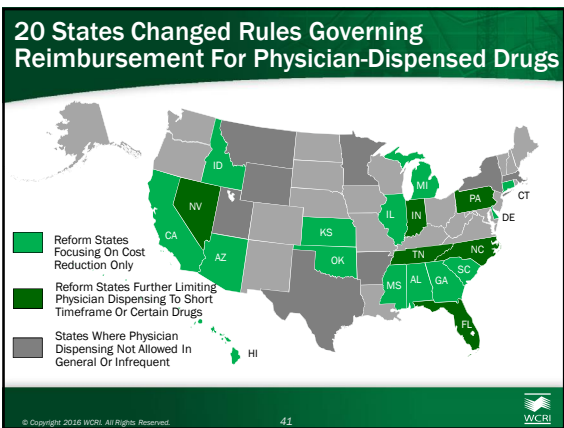
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### Illustrative: In Illinois, The Same Drugs, When Physician-Dispensed, Are Much Higher Priced

Common WC Drugs Prescribed By Physicians	Price Per Pill		% Difference
	Physician Rx	Pharmacy Rx	
Hydrocodone-acetaminophen (Vicodin®)	\$1.41	\$0.52	172%
Ibuprofen (Motrin®)	\$0.49	\$0.27	81%
Tramadol HCL (Ultram®)	\$1.55	\$0.73	114%
Cyclobenzaprine HCL (Flexeril®)	\$1.85	\$0.99	88%
Meloxicam (Mobic®)	\$5.86	\$3.19	84%

Illinois 2011/12 Claims With > 7 Days Of Lost Time With Prescriptions. Source: *The Prevalence And Costs Of Physician-Dispensed Drugs (2013)*

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### Topics Covered In Today's Discussion

- Trends in medical payments: recent experiences in Illinois, North Carolina, and California
- General medical trends in multiple states
- Impact of physician dispensing reforms
- **Interstate variation in opioid use**

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### Amount of Opioids Decreased In Several States, Large Interstate Variations Still Persist

- 54–86% of injured workers with pain meds received opioids across 25 states
- Substantial interstate variation in amount of opioids received by injured workers, higher in LA, NY, and PA
- Injured workers received opioids on a longer-term basis in several states, highest in LA
- Sizable reductions in amount of opioids over the study period in several states

Nonsurgical Claims With > 7 Days Of Lost Time, Injuries Occurring From October 1, 2009, To September 30, 2012, Average 24 Months Of Prescriptions Filled Up To March 31, 2014  
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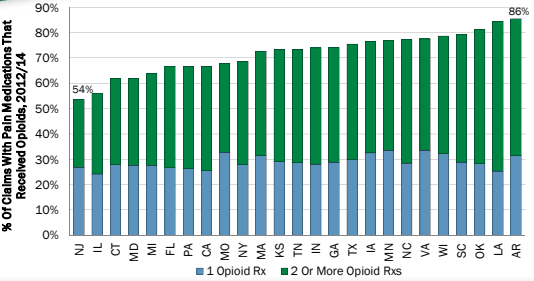
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### 3 In 4 Injured Workers With Pain Meds. Received Opioids In Most States



State	1 Opioid Rx (%)	2 Or More Opioid Rxs (%)	Total (%)
NJ	25	29	54
IL	25	35	60
CT	25	35	60
MD	25	35	60
MI	25	35	60
FL	25	35	60
PA	25	35	60
CA	25	35	60
CO	25	35	60
MO	25	35	60
NY	25	35	60
MA	25	35	60
KS	25	35	60
TN	25	35	60
IN	25	35	60
GA	25	35	60
TX	25	35	60
IA	25	35	60
MIN	25	35	60
NC	25	35	60
VA	25	35	60
WI	25	35	60
SC	25	35	60
OK	25	35	60
LA	25	35	60
AR	25	35	60

2012/14: Nonsurgical Claims With > 7 Days Of Lost Time, Injuries Occurring From October 1, 2011, To September 30, 2012, Prescriptions Filled Through March 31, 2014, Rx: Prescriptions  
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### Higher Amount Could Be Driven By Longer Duration Or Stronger Doses

MEA per claim = Number of Rx \* Quantity \* Strength \* Morphine conversion factor(CF)

Duration  
Stronger doses

Rx Fill Date	Drug Name	Morphine CF	Narcotic Strength	Qty.	MEA
01/01/2012	Vicodin®	1	5mg	40	200
01/10/2012	Percocet®	1.5	10mg	60	900
					<b>1100</b>

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### In LA, 1 In 6 Injured Workers With Opioids Received Opioids On Longer-Term Basis

Longer-term use: Injured worker received an opioid Rx in first 3 months after injury and had 3+ visits to fill opioid Rx between 7th and 12th month post-injury

Nonsurgical Claims With > 7 Days Of Lost Time, Injuries Occurring From October 1, 2011, To September 30, 2012, Prescriptions Filled Through March 31, 2014

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### Average Opioid Dose Was 350-450 Per Rx In Most Study States, Higher In PA & NY

Nonsurgical Claims With > 7 Days Of Lost Time, Injuries Occurring From October 1, 2011, To September 30, 2012, Prescriptions Filled Through March 31, 2014

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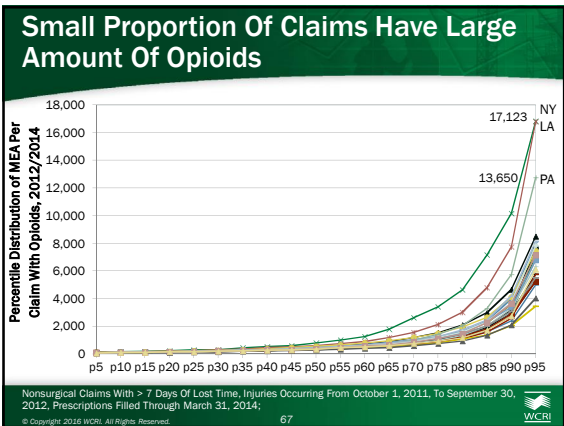
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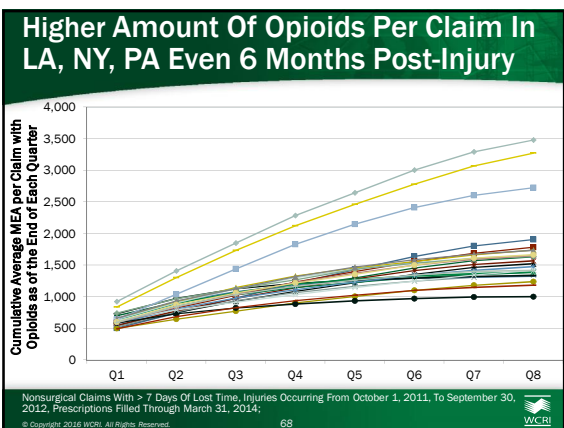
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- ### State Policies Addressing Opioids Prescribing And Dispensing
- Prescription drug monitoring programs (PDMP)
  - Drug formularies
  - Guidelines
  - Limits on prescribing and dispensing
  - Insurer and pharmacy benefit manager initiatives
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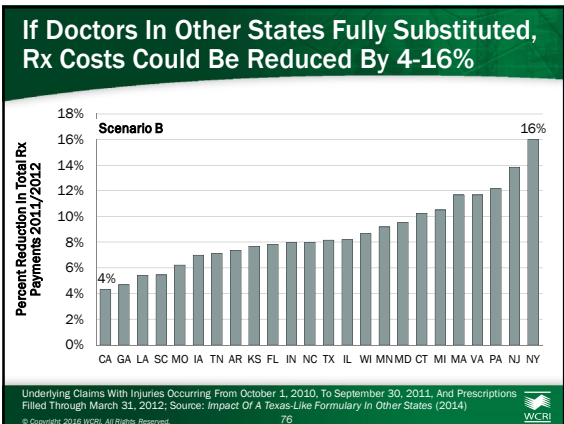
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### Thank You!

- For comments/questions about the findings:
  - Ramona Tanabe  
Executive VP & Counsel  
[rtanabe@wcrinet.org](mailto:rtanabe@wcrinet.org)
  - Vennela Thumula  
Policy Analyst  
[vthumula@wcrinet.org](mailto:vthumula@wcrinet.org)
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