



Legislative & Regulatory Trends in Workers Compensation

Missouri Division Workers Compensation, Education Conference
August 2018



AGENDA

- NCCI Overview
- Legislative Update
- Opioids In Workers Compensation
- Opioid Utilization In MO WC Claims
- Q&A



The Source You Trust

NCCI Overview



Mission and Vision

- **MISSION:** To foster a healthy workers comp system
- **VISION:** To be a recognized leader and trusted source of information



Core Strengths



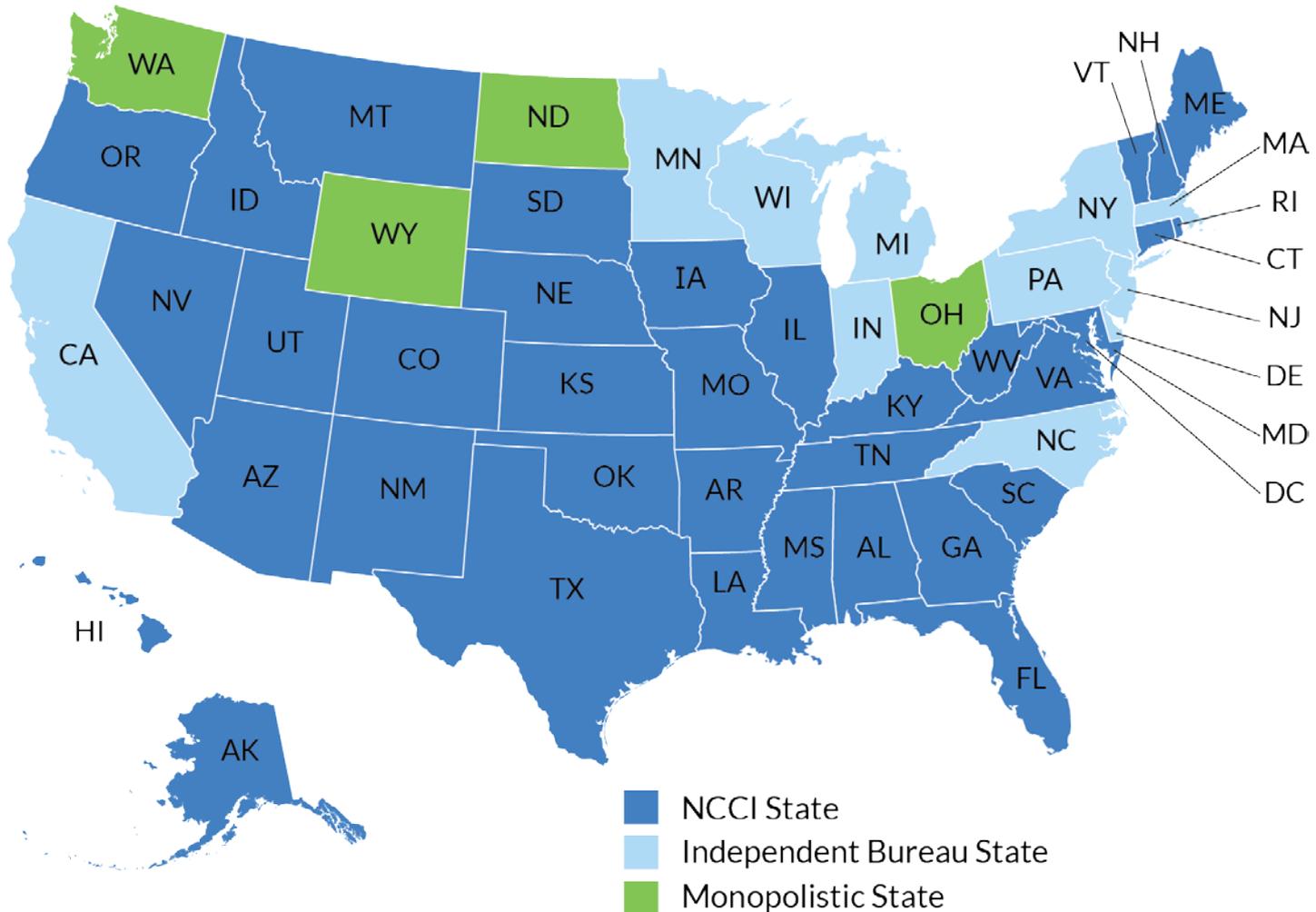
Our Stakeholders

NCCI's more than 900 employees work effectively with industry stakeholders to provide underlying data and identify system trends:



WHERE WE OPERATE

States where insurance departments have designated NCCI as their licensed rating and statistical organization



LEGISLATIVE UPDATE

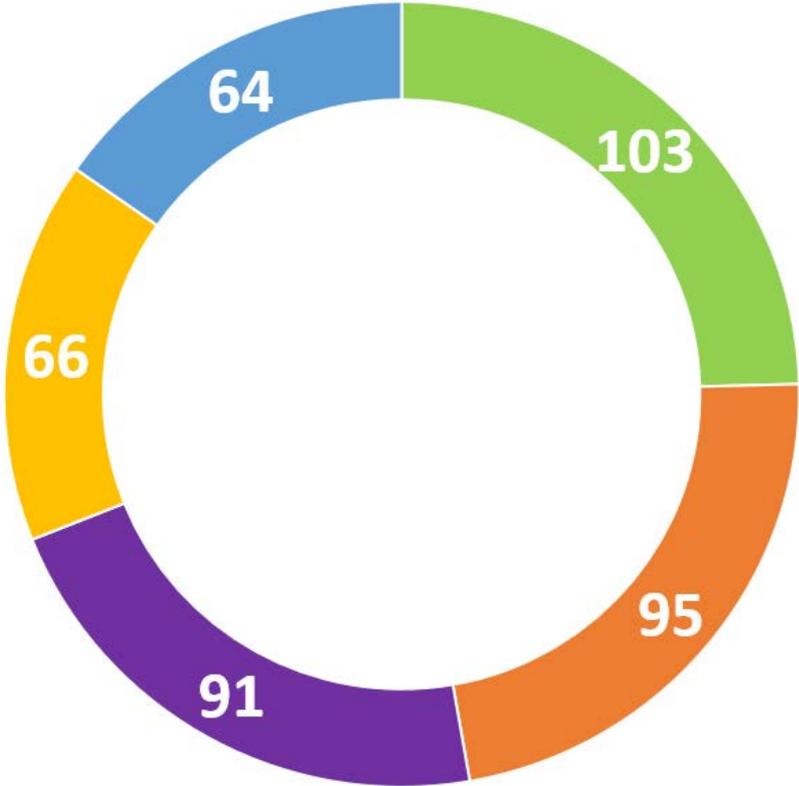
Legislative Overview for 2018

- As of June 30, 2018, NCCI has tracked approximately 814 state and federal workers compensation related bills
 - 462 of the bills are in NCCI states
 - 76 bills enacted (includes all jurisdictions and federal)

- Top Five Themes for the bills to date (all jurisdictions and federal):
 - First Responders (103 bills)
 - Court/Legal Issues (95 bills)
 - Reimbursement/Fee Schedule (91 bills)
 - Coverage Issues (66 bills)
 - Compliance (64 bills)

Key Workers Compensation-Related Themes in Introduced Legislation

- First Responders
- Court/Legal Issues
- Reimbursement/Fee Schedule
- Benefits/Coverage
- Compliance



Key Themes

- First Responders
 - Compensability for certain cancers and other diseases
 - Compensability for post-traumatic stress disorder
- Court/Legal Issues
 - Arbitration
 - Hearings and appeals process
 - Subrogation
- Medical Cost Management
 - Fee Schedules
 - Treatment Guidelines

Key Themes

- Workers compensation Insurance Coverage
 - Coverage elections and exclusions
 - Coverage for certain volunteers
 - Provisions related to out of state coverage
- Compliance
 - Penalties for failure to carry workers compensation coverage
 - Criminal penalties for workers compensation fraud
 - Fines for employers/insurers who deny claims pending an investigation without reasonable cause

Federal Legislative and Regulatory Issues Impacting the Workers Compensation System

- NCCI works with Congress and federal agencies to provide information regarding issues that impact the state-based workers compensation system
- NCCI works closely with many federal agencies, including:
 - US Department of Labor (USDOL)
 - National Institute for Occupational Safety and Health (NIOSH)
 - Government Accountability Office (GAO)
 - US Department of the Treasury

Federal Emerging Issues

Regulation of Air Ambulance Services

Sen. Jon Tester (MT) introduced legislation to provide state authority

Federal Aviation Administration Reauthorization

Social Security Disability Insurance (SSDI) Reform

SSDI Solutions Initiative recommendations

Trump Administration SSDI Reverse Offset Proposal

Medicare Set-Aside (MSA) Reform

Legislation to be introduced to bring greater efficiency to the MSA process

Congressional Budget Office scoring

OPIOIDS IN WORKERS COMPENSATION

What Is a Prescription Opioid?

- Prescription opioids are a class of drugs used to treat moderate to severe pain, particularly chronic intractable pain
- Prescription opioids include oxycodone (OxyContin[®]), hydrocodone (Vicodin[®]), and morphine
- Opioids bind to and activate opioid receptors on cells in the brain and body
 - Pain signals are blocked, and large amounts of dopamine are released
 - Misuse of opioids can slow down breathing, which can lead to death

CDC STATISTICS

- Centers for Disease Control and Prevention (CDC)
 - In 2016, opioids killed more than 42,000 people
 - Five times greater than in 1999
 - 66% of all **drug** overdose deaths involve an opioid
 - 40% of all **opioid** overdose deaths involve a prescription opioid
 - The most common drugs involved in prescription opioid overdose deaths include:
 - Methadone
 - Oxycodone (such as OxyContin®)
 - Hydrocodone (such as Vicodin®)

Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting: www.cdc.gov/drugoverdose/data/overdose.html

CDC STATISTICS

- 30% increase in opioid overdose ER visits from July 2016 to September 2017
- 70% increase in opioid overdoses in midwestern states
- People who have had an opioid overdose are more likely to have another
- On average, 115 Americans die every day from an opioid overdose

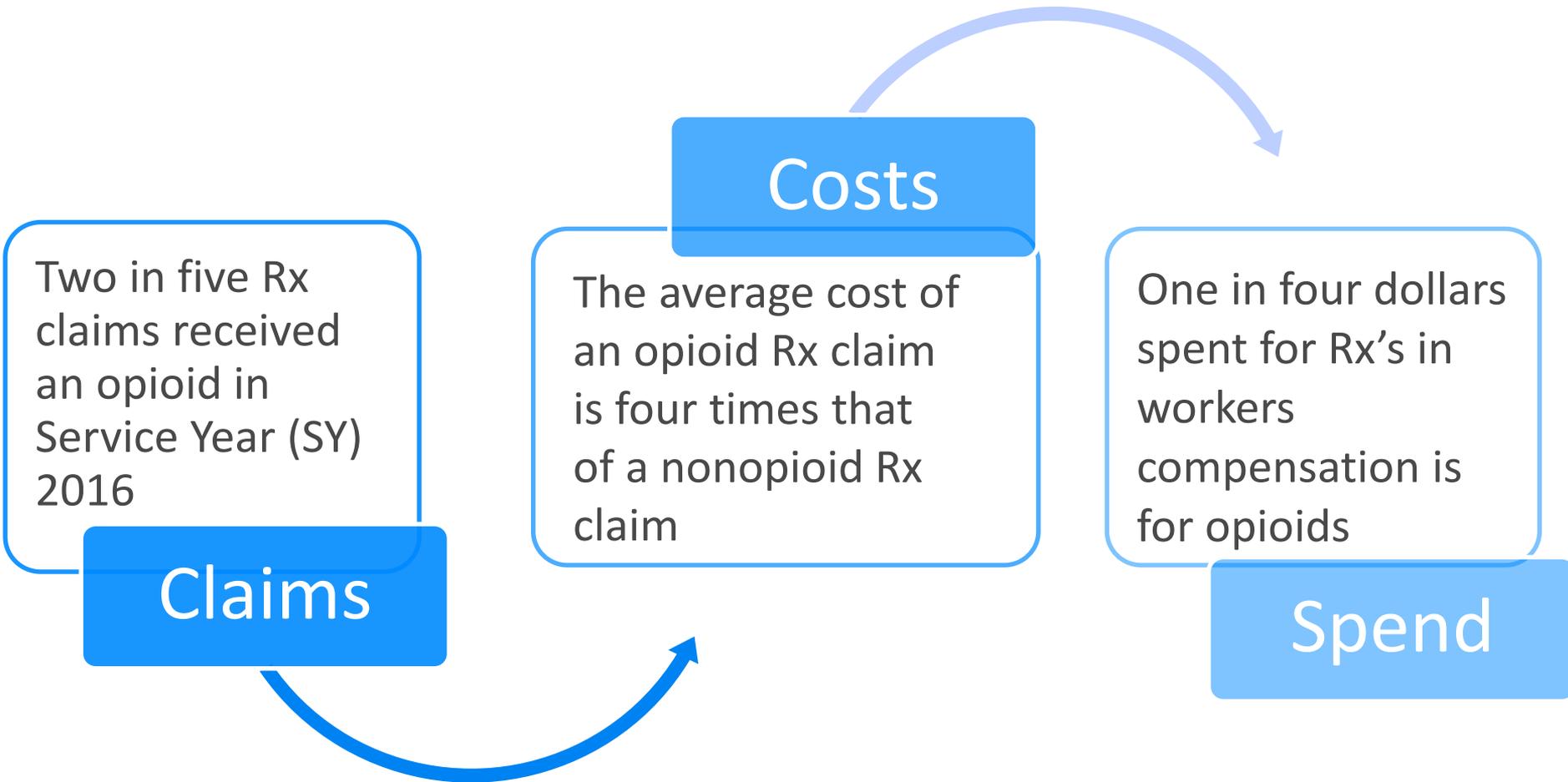
Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting; <https://www.cdc.gov/vitalsigns/opioid-overdoses/> & <https://www.cdc.gov/drugoverdose/epidemic/index.html>

Impact on Workers Compensation

- According to NCCI's data, injured workers who were prescribed at least one prescription in 2016 received three times as many opioid prescriptions as the US opioid prescribing rate
- Workers compensation is directly impacted because injured workers are often prescribed opioids for pain



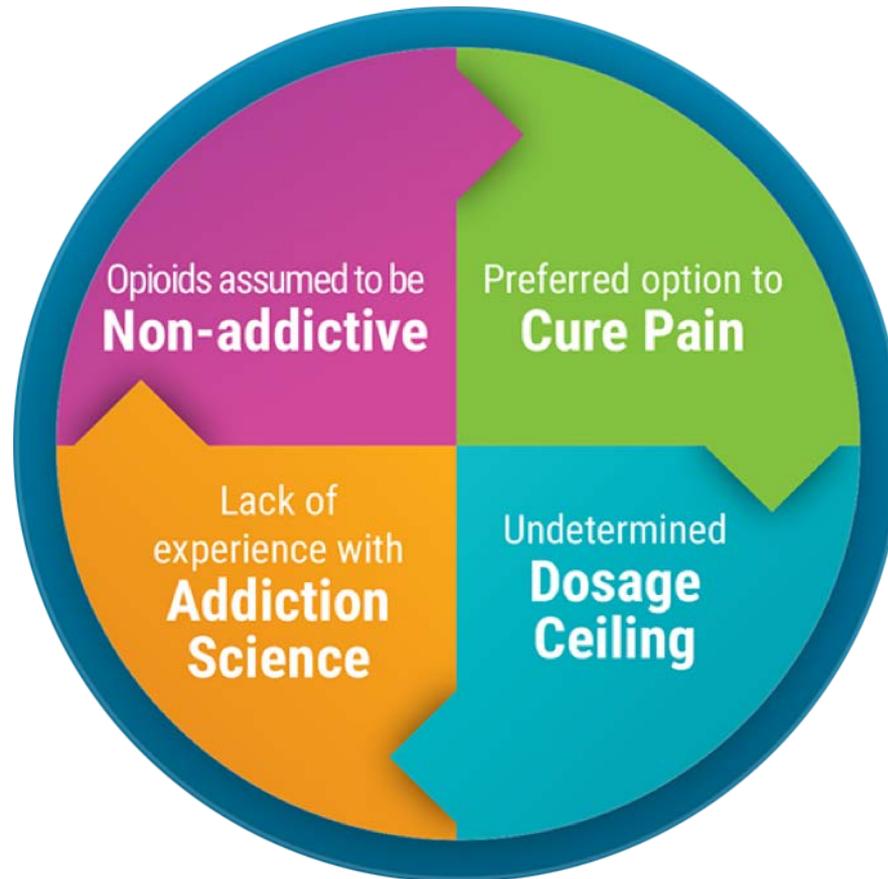
Opioids Are a Significant Share of Prescription Drug (Rx) Costs



Source: NCCI's Medical Data Call, Service Year 2016; states included are AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, and WI

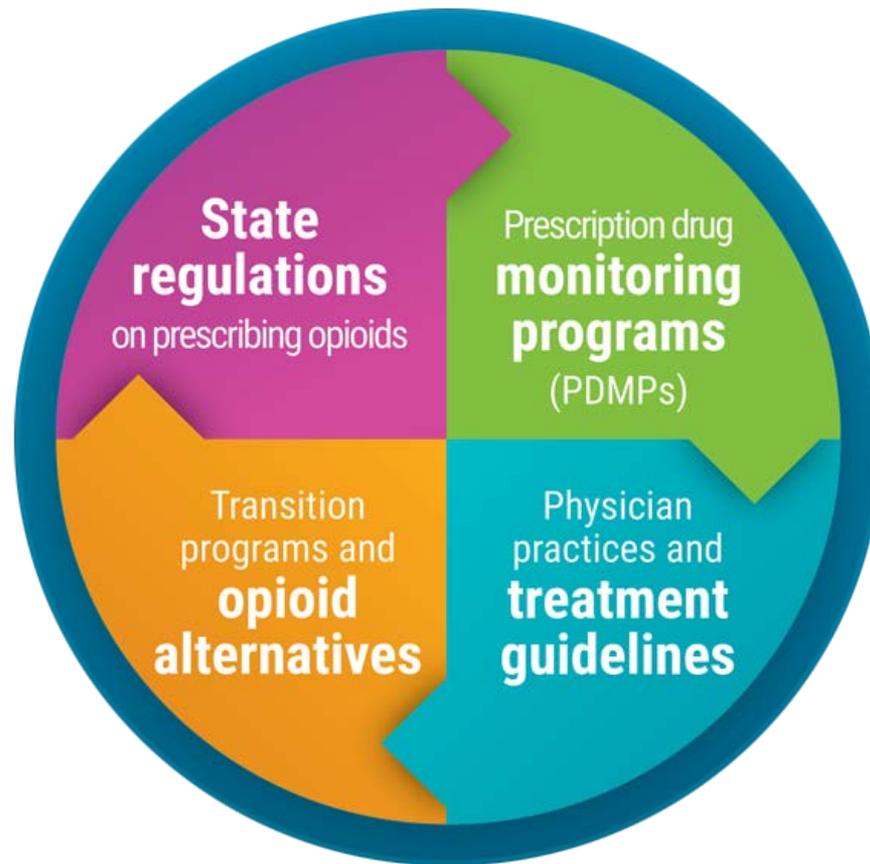
Doctors Perspective

How did we get here? Doctors say....



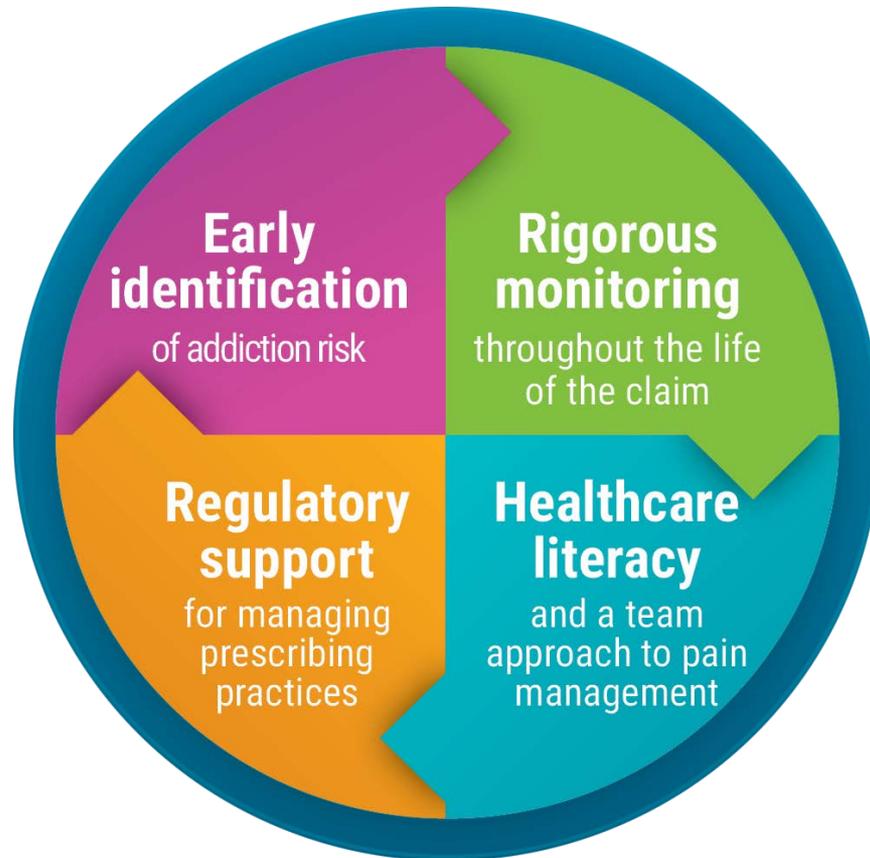
State Regulator Perspective

State regulators interviewed by NCCI shared that tools in the fight against the opioid epidemic include:



Claims Professionals Perspective

Claims professionals interviewed by NCCI say that there are four key elements that are critical for successfully managing opioid use:



2018 State Activity

In 2018, almost every state considered prescription drug legislation or regulatory changes, including:

- Drug formularies
- Limitation on physician dispensing and repackaged drugs
- PDMPs
- Choice of pharmacy
- Compound drugs
- Prescription drug fee schedules
- Pharmaceutical benefit management
- Drug rehabilitation



Potential Alternative Treatments

- Nondrug Treatments

- Physical therapy

- Yoga

- Acupuncture

- Massage therapy



- Drug Treatments

- NSAIDs

- Gabapentin

- Lidocaine



- Medical Marijuana?



OPIOID UTILIZATION IN MO WC CLAIMS

Real Stories



Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting: <https://www.cdc.gov/rxawareness/stories/anmarie.html>

Real Stories



Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting: <https://www.cdc.gov/rxawareness/stories/noah.html>

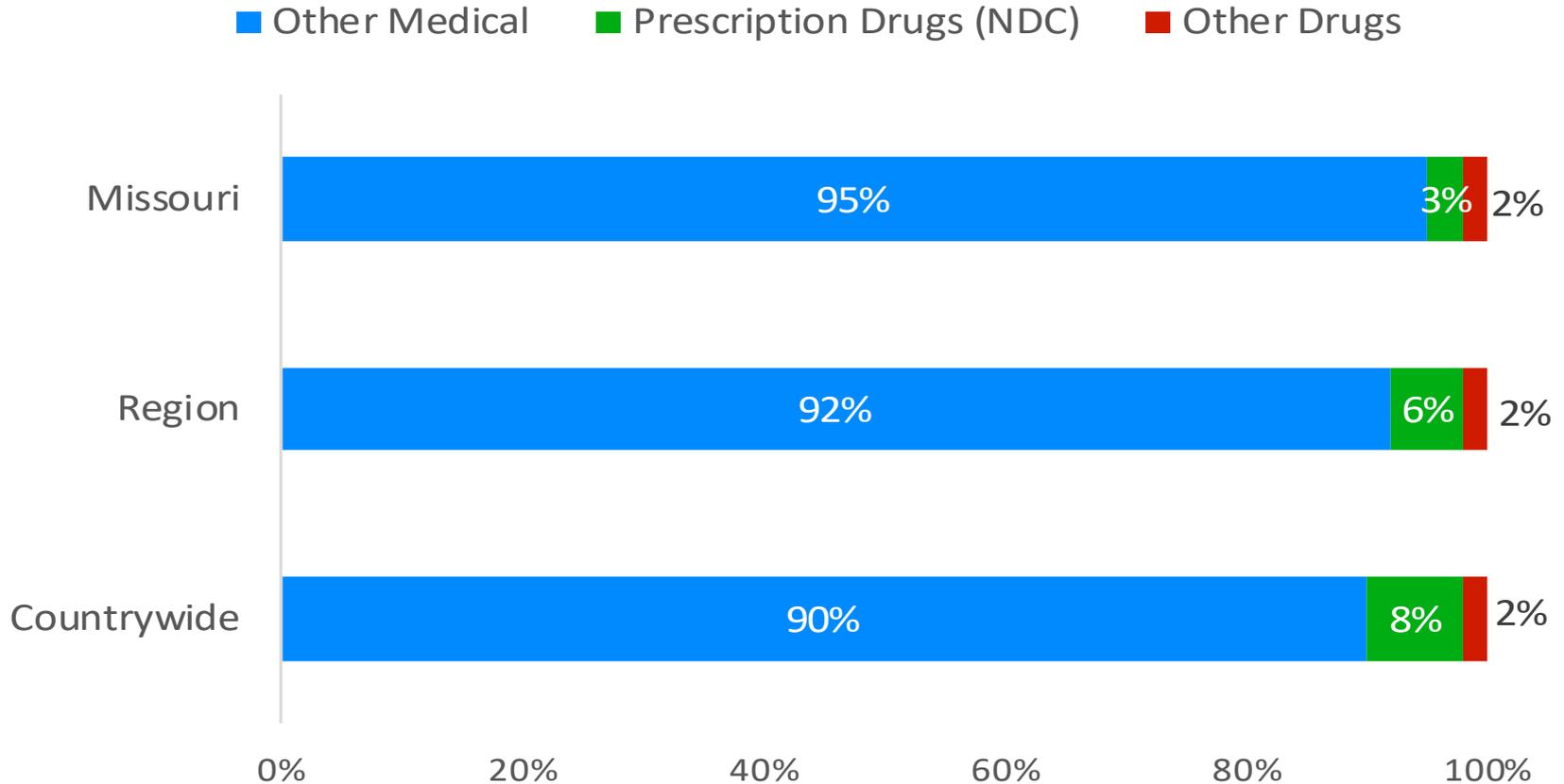
Real Stories



Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting: <https://www.cdc.gov/rxawareness/stories/teresa.html>

PRESCRIPTION DRUG STATISTICS

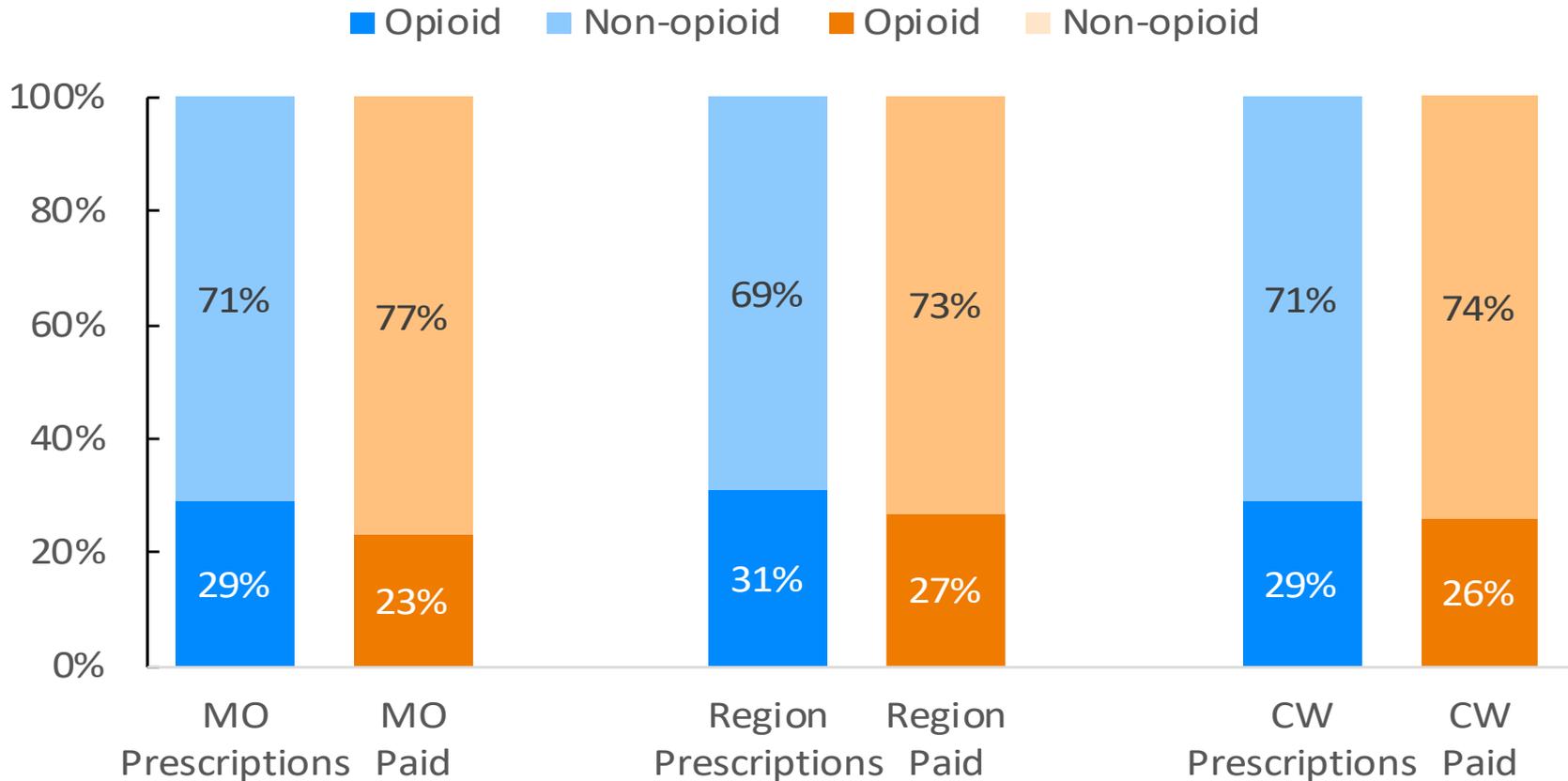
Drug Share of Medical Payments



Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

PRESCRIPTION DRUG STATISTICS

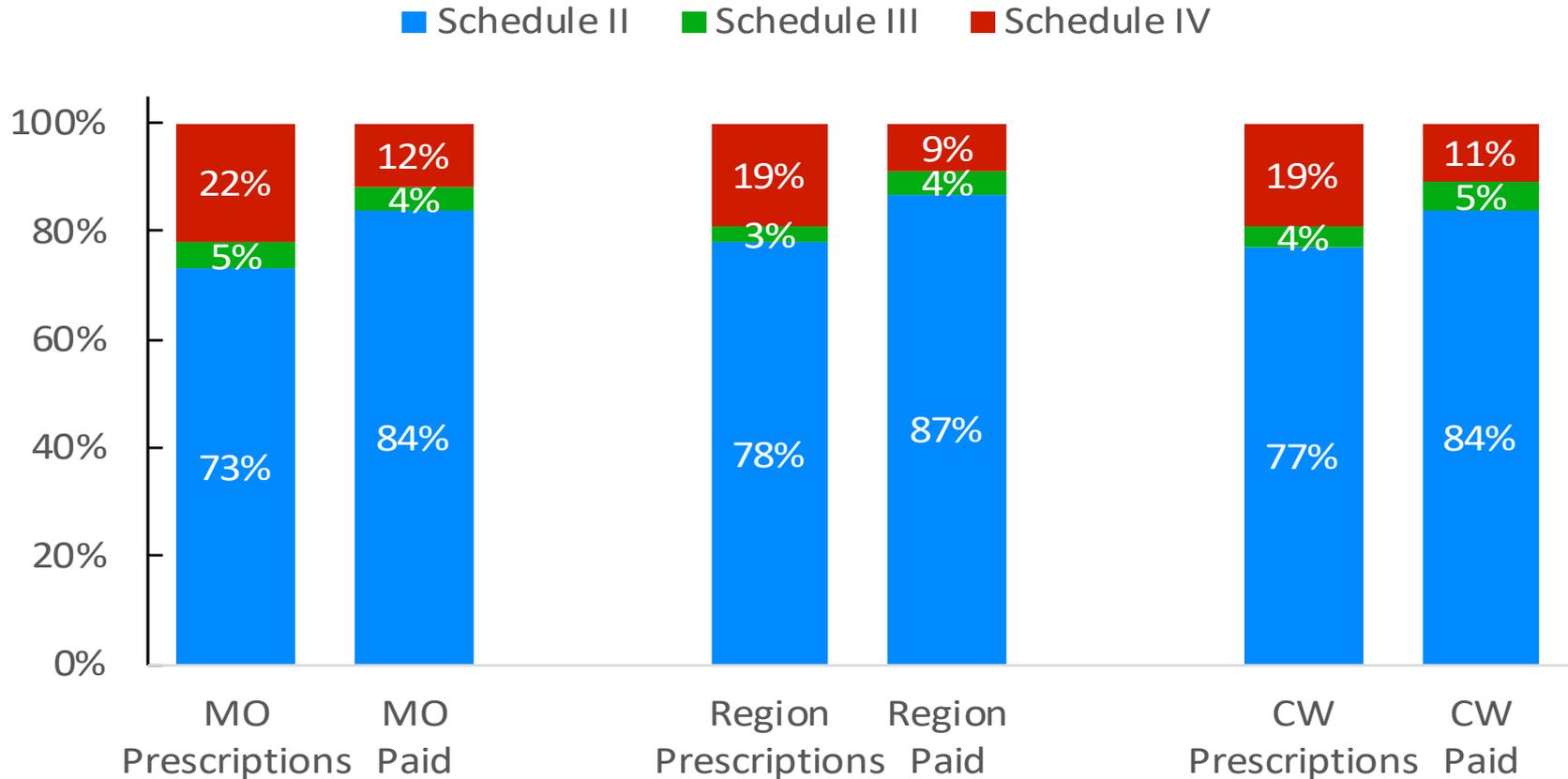
Opioid Distribution of Prescriptions and Payments



Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

PRESCRIPTION DRUG STATISTICS

Distribution of Opioids by Drug Schedule



Sources: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.
www.deadiversion.usdoj.gov/faq/prescriptions.htm#rx-2

OPIOID DRUG STATISTICS

Top 10 Workers Compensation Opioid Drugs by Amount Paid for Missouri

Name of Opioid Drug	Type B/G	% of Drug Payments	PPU Missouri	PPU Region	PPU Countrywide
Oxycodone HCl-Acetaminophen	G	4.3%	\$1.34	\$1.39	\$1.76
Oxycontin®	B	4.0%	\$8.17	\$7.60	\$8.43
Hydrocodone Bitartrate-Acetaminophen	G	3.3%	\$0.55	\$0.54	\$0.58
Tramadol HCl	G	2.5%	\$0.75	\$0.74	\$1.16
Oxycodone HCl	G	1.6%	\$1.03	\$1.13	\$1.27
Fentanyl Citrate	G	1.0%	\$19.59	\$1.32	\$4.80
Nucynta®	B	0.8%	\$5.52	\$5.63	\$6.07
Morphine Sulfate	G	0.7%	\$2.24	\$1.76	\$2.24
Fentanyl Transdermal System	G	0.7%	\$23.02	\$20.35	\$21.89
Opana ER®	B	0.6%	\$10.71	\$8.73	\$10.31

Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

OPIOID DRUG STATISTICS

Top 10 Workers Compensation Opioid Drugs by Amount Paid for **Countrywide**

Name of Opioid Drug	Type B/G	% of Drug Payments	PPU Missouri	PPU Region	PPU Countrywide
Oxycontin®	B	4.4%	\$8.17	\$7.60	\$8.43
Oxycodone HCl-Acetaminophen	G	3.7%	\$1.34	\$1.39	\$1.76
Tramadol HCl	G	2.7%	\$0.75	\$0.74	\$1.16
Hydrocodone Bitartrate-Acetaminophen	G	2.5%	\$0.55	\$0.54	\$0.58
Oxycodone HCl	G	2.2%	\$1.03	\$1.13	\$1.27
Morphine Sulfate	G	1.2%	\$2.24	\$1.76	\$2.24
Nucynta®	B	1.0%	\$5.52	\$5.63	\$6.07
Percocet®	B	0.9%	\$16.56	\$14.48	\$15.49
Opana ER®	B	0.9%	\$10.71	\$8.73	\$10.31
Nucynta ER®	B	0.8%	\$11.96	\$11.48	\$11.65

Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

OPIOID DRUG STATISTICS

Top 10 Workers Compensation Opioid Drugs by Prescription Counts for Missouri

Name of Opioid Drug	Type B/G	% of Drug Prescriptions	PPU Missouri	PPU Region	PPU Countrywide
Hydrocodone Bitartrate-Acetaminophen	G	11.1%	\$0.55	\$0.54	\$0.58
Tramadol HCl	G	5.9%	\$0.75	\$0.74	\$1.16
Oxycodone HCl-Acetaminophen	G	5.3%	\$1.34	\$1.39	\$1.76
Oxycodone HCl	G	1.9%	\$1.03	\$1.13	\$1.27
Acetaminophen-Codeine Phosphate	G	1.1%	\$0.61	\$0.44	\$0.47
Oxycontin®	B	0.8%	\$8.17	\$7.60	\$8.43
Morphine Sulfate	G	0.4%	\$2.24	\$1.76	\$2.24
Tramadol HCl-Acetaminophen	G	0.3%	\$0.88	\$0.66	\$0.78
Fentanyl Transdermal System	G	0.2%	\$23.02	\$20.35	\$21.89
Hydromorphone HCl	G	0.2%	\$0.61	\$1.70	\$1.97

Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

OPIOID DRUG STATISTICS

Top 10 Workers Compensation Opioid Drugs by Prescription Counts for **Countrywide**

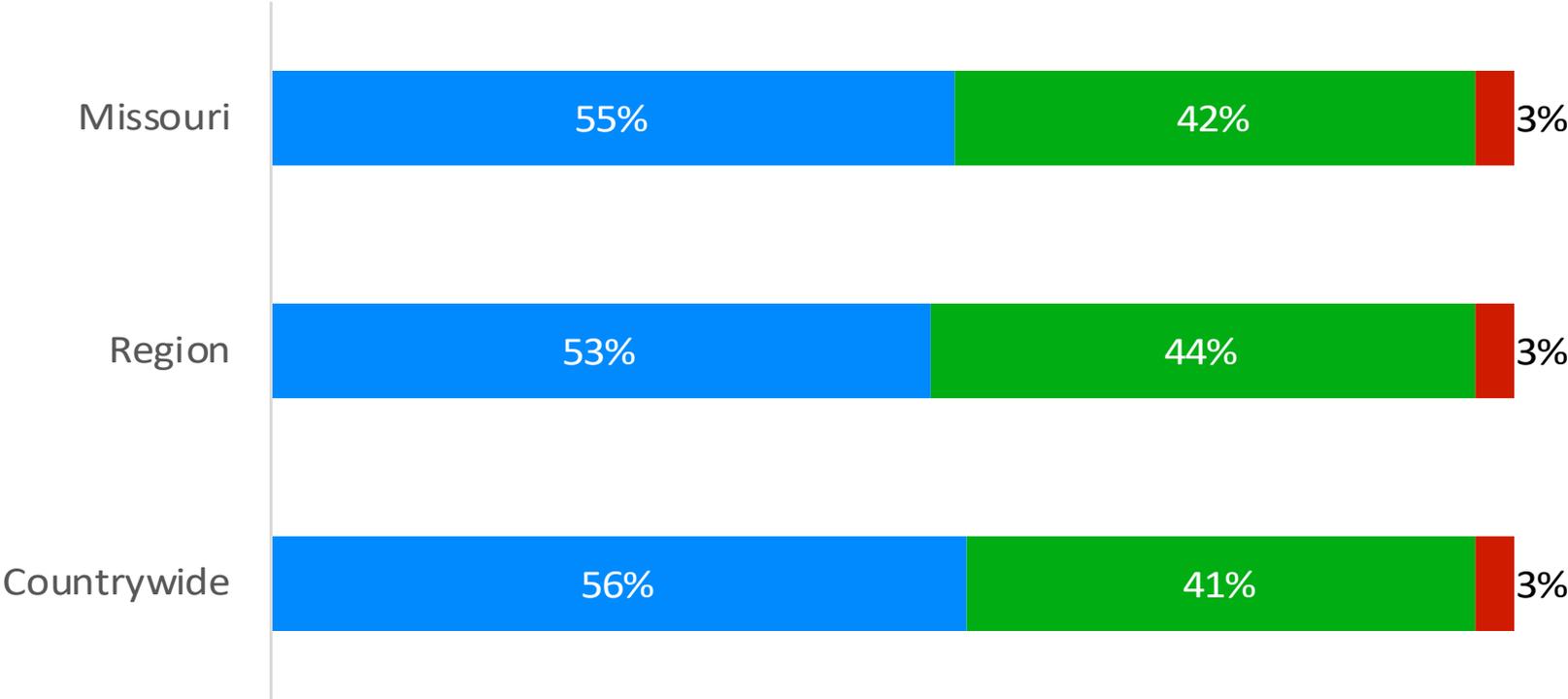
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Tramadol HCl	G	5.1%	\$0.75	\$0.74	\$1.16
Oxycodone HCl-Acetaminophen	G	4.7%	\$1.34	\$1.39	\$1.76
Oxycodone HCl	G	2.8%	\$1.03	\$1.13	\$1.27
Oxycontin®	B	1.2%	\$8.17	\$7.60	\$8.43
Morphine Sulfate	G	1.1%	\$2.24	\$1.76	\$2.24
Acetaminophen-Codeine Phosphate	G	0.6%	\$0.61	\$0.44	\$0.47
Hydromorphone HCl	G	0.4%	\$0.61	\$1.70	\$1.97
Fentanyl Transdermal System	G	0.3%	\$23.02	\$20.35	\$21.89
Methadone HCl	G	0.3%	\$0.21	\$0.22	\$0.24

Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

OPIOID CLAIM STATISTICS

Rx Claim Distributions

■ Non-opioid Claims ■ Opioid Claims without Benzos ■ Opioid Claims with Benzos

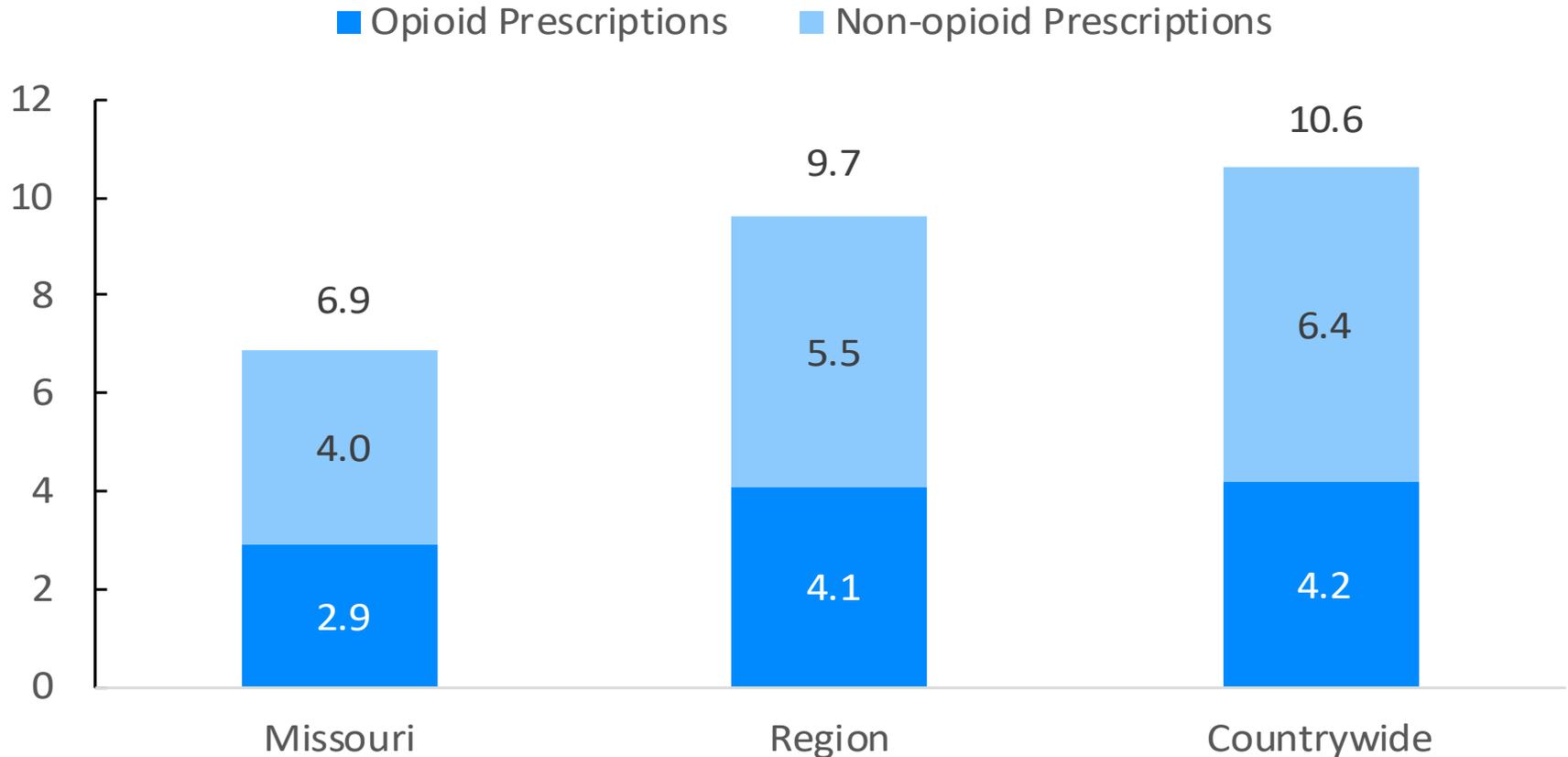


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OPIOID CLAIM STATISTICS

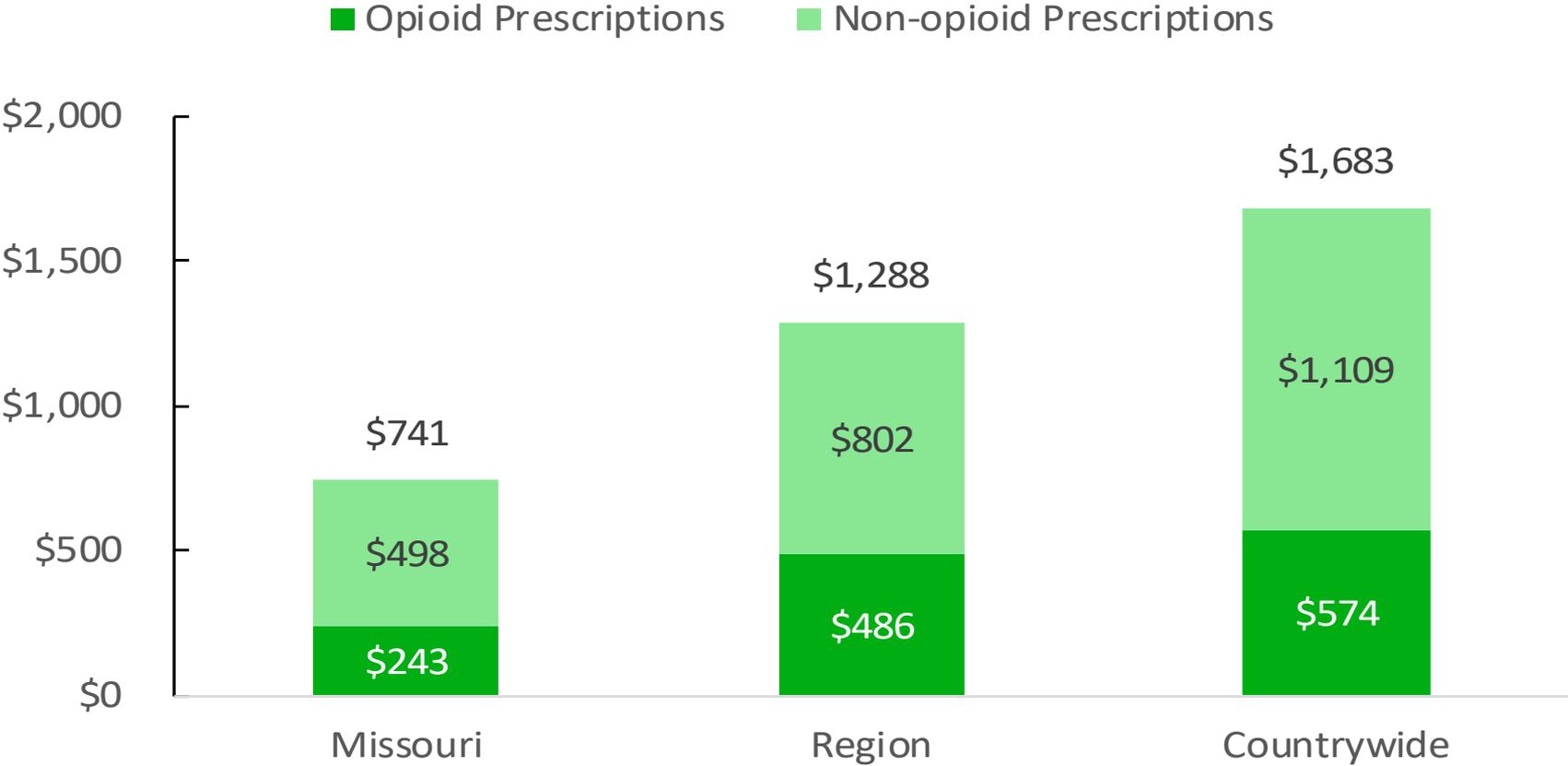
Average Number of Prescriptions per Opioid Claim



Source: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

OPIOID CLAIM STATISTICS

Average Payment for Prescription Drugs per Opioid Claim



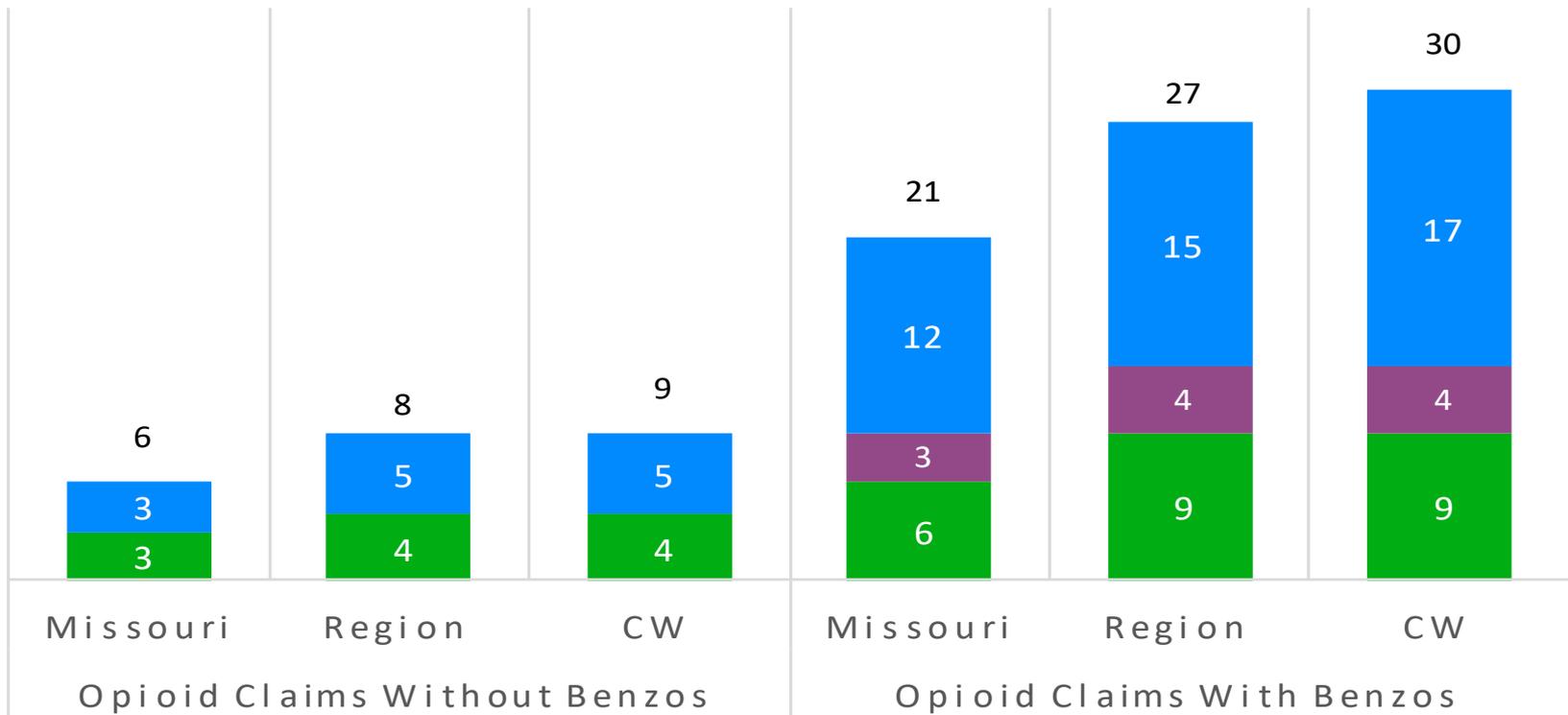
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OPIOIDS AND BENZODIAZEPINES

Average Number of Prescriptions by Claim Type

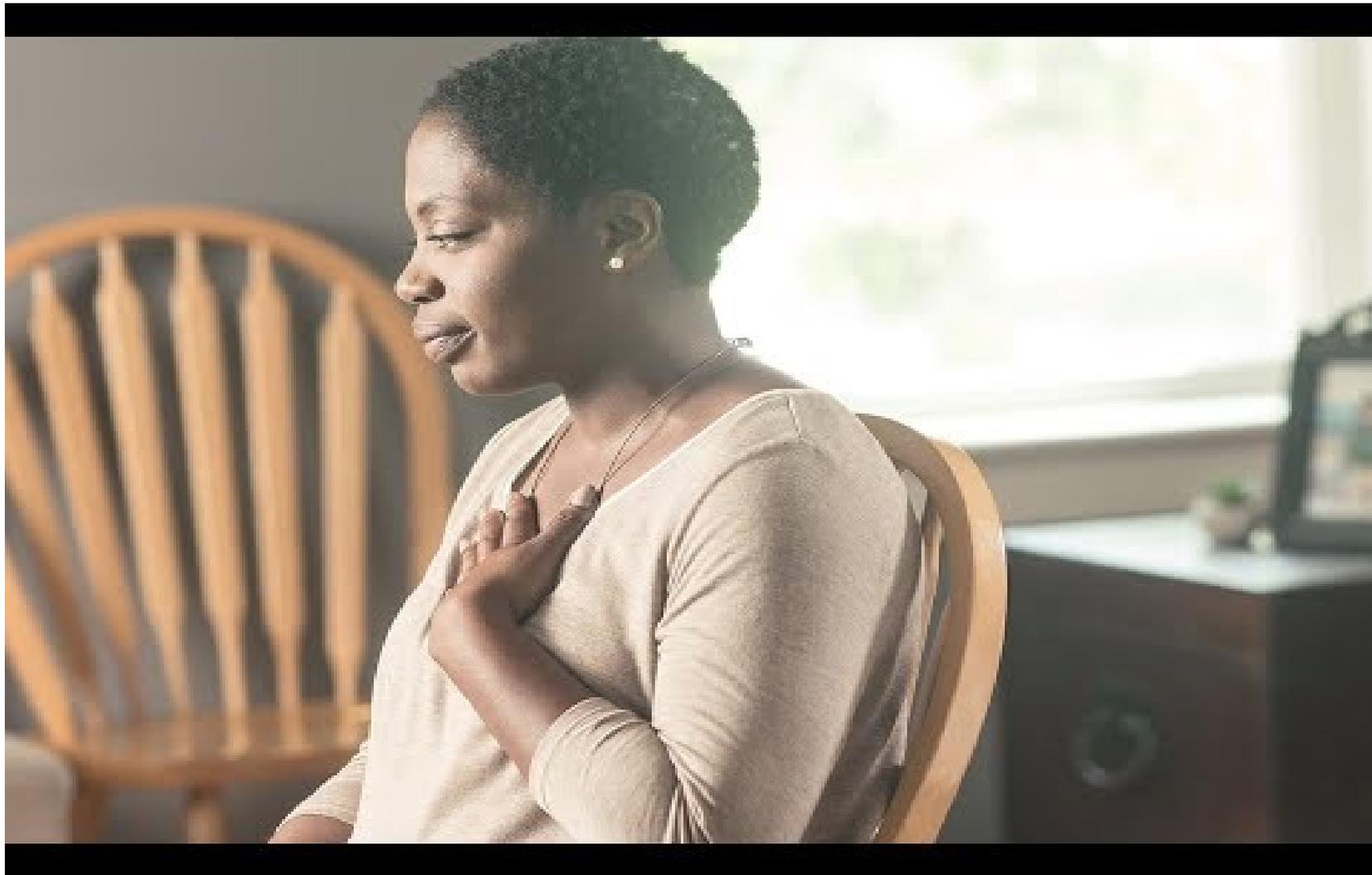
■ Opioid Prescriptions
 ■ Benzo Prescriptions
 ■ Other Prescriptions



Sources: NCCI's Medical Data Call, Service Year 2016. Region includes IA, KS, MN, NE, and SD. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

"Dangers of Mixing Opiates and Benzodiazepines: Vicodin, Xanax, Oxycodone, and Valium," American Addiction Centers, www.americanaddictioncenters.org/prescription-drugs/dangers-of-mixing/, accessed on March 30, 2018.

Real Stories



Source: CDC's National Syndromic Surveillance Program; 52 jurisdictions in 45 states reporting: <https://www.cdc.gov/rxawareness/stories/brenda.html>



ON
OPIOIDS



Workers Compensation Perspectives

Find it on ncci.com

QUESTIONS



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GLOSSARY

Benzodiazepines (Benzos): Benzodiazepines are a class of drugs that produce central nervous system (CNS) depression and that are most commonly used to treat insomnia and anxiety.

Controlled Substance: Drugs that are regulated by the Controlled Substance Act (CSA) of 1970. Each controlled substance is contained in one of five schedules based on its medical use(s) and its potential for abuse and addiction.

Current Procedure Terminology (CPT): A numeric coding system maintained by the American Medical Association (AMA). The CPT coding system consists of five-digit codes that are primarily used to identify medical services and procedures performed by physicians and other healthcare professionals.

Drugs: Includes any data reported by a National Drug Code (NDC). Also included are data for revenue codes, the Healthcare Common Procedure Code System (HCPCS), and other state-specific codes that represent drugs.

Healthcare Common Procedure Coding System (HCPCS): Alphanumeric codes that include mostly nonphysician items or services such as medical supplies, ambulatory services, prostheses, etc. These are items and services not covered by Current Procedure Terminology (CPT) procedures.

Medical Data Call: Captures transaction-level detail for medical billings that were processed on or after July 1, 2010. All medical transactions with the jurisdiction state in any applicable Medical Data Call state are reportable. This includes all workers compensation claims, including medical-only claims.

National Drug Code (NDC): A universal product identifier for human drugs in the United States. Each NDC code uniquely identifies a drug product based on key characteristics such as the labeler (manufacturer/distributor), active ingredients, strength, dosage form, and package form.

GLOSSARY

Opioids: Prescription opioids are a class of drugs used to treat moderate to severe pain, particularly chronic intractable pain.

Prescription: NCCI defines a “prescription” to be synonymous with a transaction; therefore, a refill on a prescribed drug is considered a separate prescription.

(Paid) Procedure Code: A code from the jurisdiction-approved code table that identifies the procedure associated with the reimbursement; examples include CPT code or revenue code.

Revenue Code: A numeric coding system used in hospital billings that provides broad classifications of the types of services provided. Some examples are emergency room, operating room, recovery room, room and board, and supplies.

Service Year: A loss accounting definition where experience is summarized by the calendar year in which a medical service was provided.

Transaction: A line item of a medical bill.

Units: The number of units of service performed or the quantity of drugs dispensed. For Paid Procedure Codes related to medications, the quantity/units depend on the type of drug:

- For tablets, capsules, suppositories, nonfilled syringes, etc., it represents the actual number of the drug provided; for example, a bottle of 30 pills would have 30 units.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., dispensed in standard packages, the units are specified by the procedure code; for example, a cream is dispensed in a standard tube, which is defined as a single unit.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., that are not dispensed in standard packages, the number of units is the amount provided in its standard unit of measurement (e.g., milliliters, grams, ounces); for example, codeine cough syrup dispensed by a pharmacist into a four-ounce bottle would be reported as four units.