Evidence Based Medicine in Workers Compensation Treatment Guidelines & Formulary

Pennsylvania HB1800
House Labor & Industry Committee Hearing
March 17, 2016

Ken Eichler; Vice President
Regulatory & Outcome Initiatives
Work Loss Data Institute / ODG
ken@worklossdata.com
917-270-3921

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 Official Disability Guidelines - 20th Annual Edition
Evidence-Based Medical Treatment Guidelines - 13th 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) and supporting references with abstracts
- Designed to serve the dual mandate: Safeguard and expedite access to quality care while limiting unwarranted, excessive or inappropriate care
Workers Compensation
Versus Group Health Coverage

GROUP HEALTH:
"YOU GET WHAT YOU PAY FOR"
- Coverage is purchased for pre-set defined services and benefits on a plan & premium specific, by option basis.
- Minimal opportunity to address case specific needs & variances.

WORKERS COMPENSATION:
"MEDICALLY APPROPRIATE & CAUSALLY RELATED"
- Last bastion of minimally controlled treatment at high fees for service
- Coverage affords treatment & services required to restore the Patient to MMI and/or ongoing care as medically necessary.
- Evidence Based reflecting medical appropriateness; NOT costs, discounts, rebates or incentives from providers, manufacturers and distributors.

Legislative Intent
Versus Draft Language

Consistent Evidence Based Medical Guidelines can improve outcomes for Injured Workers with transparency, decreased transactional processes and associated cost savings.

Considering consistent transparent "Utilization Review" criteria (regardless of the Payor) with disclosure of criteria and supporting evidence on the front end improves communications, expedites care and can effectively eliminate the need for UR.
Medical Treatment Guidelines: Perceptions versus Realities

- Have concerns been objectively substantiated?
- Cookbook Medicine versus empowering Medical Providers with extensive treatment options
- Expedited Medically Evidence Based decision making versus determinations by non-medical claims handlers
- "Test Driving" Case Specific Scenarios

Adapting Guidelines at the State Level

- Evidence-Based Medicine (EBM)
  - Safeguards access to multidisciplinary quality care
  - Reduces uncertainty
- Limits excessive / inappropriate utilization
- Injured workers receive early access to effective treatment
- Doctors treat quickly and receive timely payment for services
- Minimizes unnecessary delays, disputes, denials and friction

Healthy workforce, timely return-to-work, low rates, good ROI, efficient system
Workers Compensation Research Institute

**CompScope™ Medical Benchmarks for Pennsylvania**
16th Edition – October 2015

Pennsylvania had among the highest utilization of physical medicine services of the study states. Pennsylvania providers of these services billed among the highest average number of visits per claim and services per visit of the study states.

**Longer-Term Use of Opioids**

Pennsylvania ranks in top three states for longer term opioid use among the study states.

---

Centers for Disease Control and Prevention

**CDC Prescription Drug Overdose:**
Understanding the Epidemic

http://www.cdc.gov/drugoverdose/data/index.html
Some states have more painkiller prescriptions per person than others.

### 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
Impacts of Texas Adoption of Treatment Guidelines & Formulary

- 2014 Workers Compensation Research Institute Study
  "Impact of a Texas-Like Formulary in Other States"
  [http://www.wcrinet.org/whats_new.html](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.

State Outcomes

- North Dakota (adopted ODG in 2005)
  - Work comp premiums (already lowest in nation) dropped 40%
  - $52 million in premium dividend credits returned to employers

- Texas (adopted ODG in 2007)
  - Work comp premiums down 49% ($2.70 to $1.30 per $100)
  - Average lost-time down 34%, RTW rates up across board
  - Medical/drug costs both down 30% (opioid costs down 17%)
  - Access to care up 42%, employer participation at record levels
  - Medical service denial rates down 50%
  - NASI study: Texas new lowest cost state in the U.S.

- Oklahoma (adopted ODG in 2012)
  - Two years in, NCSI reports costs down 22%