



Property Casualty Insurers

Association of America

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## STATEMENT OF PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA

### HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON HEALTH

#### HEARING ON

#### Combating the Opioid Crisis: Improving the Ability of Medicare and Medicaid to Provide Care for Patients

April 11, 2018

PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of approximately 1,000 member companies and 350 insurance groups, representing the broadest cross section of home, auto, and business insurers of any national trade association. PCI members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. PCI members write \$220 billion in annual premium, which is 37 percent of the nation's property casualty insurance marketplace.

We appreciate the Subcommittee on Health considering the impact of the opioid crisis on Medicare and Medicaid. The abuse of prescription painkillers is a serious public health and safety issue and is of great concern to our members. The United States is suffering from an epidemic of accidental deaths and addiction resulting from the increased sale and use of powerful narcotic painkillers. The CDC estimates that over 115 people die each day due to an opioid overdose.

From a workers compensation perspective, there is significant evidence that long-term opioid use results in longer disability, higher costs, and higher medical expenses. Most importantly, long-term opioid use will significantly hinder an injured worker's chance to return to work. ***The primary goal of an individual state workers compensation system is to provide injured workers the best care available, so they can return to work as soon as they are able and continue to be productive members of our society.***

We appreciate the Centers for Medicare and Medicaid Services' (CMS) interest in discouraging the overuse of opioids and respectfully suggest that recognizing existing state-based workers compensation programs, which are already improving outcomes for injured workers, be considered in the calculation of Workers Compensation Medicare Set Asides (MSA). A significant number of Medicare beneficiaries began opioid treatment because of injuries or illnesses that arose during employment. These individuals who are receiving dosages as a part of a treatment plan approved under the workers compensation laws/plans of their respective states should *not* risk having such plans altered simply because they become Medicare beneficiaries.

PCI has aggressively worked at the state level to advocate for many solutions being recommended to address opioid overuse. Many state workers compensation systems have had success in addressing issues related to opioid use. While emergency room visits for opioid overdoses continue to increase nationally, long term opioid use by injured workers has fallen, in many states, over the last three years.

Texas is one of several states with effective workers compensation measures that have reduced opioid based prescription and reduced the number of individuals who have become addicted to these drugs. *Initiatives such as evidence-based treatment guidelines, the closed formulary and system monitoring have proven to reduce opioid overuse among injured employees.*

Following 2005 workers' compensation legislative reforms, Texas adopted a closed formulary that took effect for new workers' compensation claims with dates of injury on or after September 1, 2011 and for older (legacy) claims on September 1, 2013. The closed pharmacy formulary includes all FDA-approved drugs, except investigational and experimental drugs. The formulary also excludes drugs listed as "N" drugs (or "not recommended" drugs). Prescriptions that are excluded from the formulary require preauthorization from the insurance carrier before they may be dispensed to an injured employee. As a result:

- *the formulary significantly reduced the number of injured employees receiving N drugs and reduced total pharmacy costs for the system by 15 percent in the first year;*
- *the frequency of all opioid prescriptions was reduced by 11 percent; and*
- *the frequency of "N" drug opioids was reduced by 81 percent between 2011 and 2012.*

According to a recent study conducted by the Texas Department of Insurance's Workers Compensation Research and Evaluation Group (REG), the number of claims receiving N-drug opioids with 90+ MMEs/day decreased from almost 15,000 in 2009 to less than 500 in 2015, while the number of claims receiving non – "N" drug opioids with 90+ MMEs/day decreased from approximately 8,800 in 2009 to less than 5,000 in 2015. According to the U.S. Centers for Disease Control and Prevention, patients receiving more than 90+ Morphine Milligram Equivalents (MMEs) per day have the highest risk of potential overdose

Kentucky has also seen a significant impact on opioid use in workers compensation after the implementation of reforms in 2012. Kentucky's reforms regulate pain clinics and require doctors and pharmacists to check the prescription monitoring data base (PDMP) and set limits on the dispensing of certain controlled substances. In 2013 the percentage of injured workers with pain medication who received opioid prescriptions fell to 44%, down from 54%, pre-reform. The number of prescriptions resulting from nonsurgical injuries decreased to 35%, down from 48% and more non-opioid pain medication was prescribed. This ultimately resulted in a smaller number of injured employees, on pain medication, receiving opioids on a long-term basis. The dosage given to injured workers who received opioid medication was decreased by 15%.

Several other states, including New York, Tennessee, Michigan, and Minnesota are also seeing the impact of state workers compensation systems focusing on this issue.

We respectfully request that as the Subcommittee continues to address the opioid crisis and ensures that CMS has the tools and processes in place to combat opioid misuse, that any legislation includes measures to assure consistency in the treatment of individuals whose treatment plans and drug formularies were developed under the applicable *state-based* workers compensation law.

Thank you for the opportunity to provide these comments.