


Outcomes on the Declining Opioid Trend in California Workers Compensation

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CWCI

2022 CAS Virtual Trunk Show
December 2, 2022

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California Workers' Compensation Institute


Mission Statement:

Improving the California workers' compensation system through research, information, education, and representation

- Established in 1964;
- Private, nonprofit organization of self-insured employers and insurers representing over 85% of premium dollars;
- Senior Staff of highly experienced experts;
- Dedicated to improving the California workers' compensation system through four primary functions:
 - ✓ Education
 - ✓ Information
 - ✓ Representation
 - ✓ Research

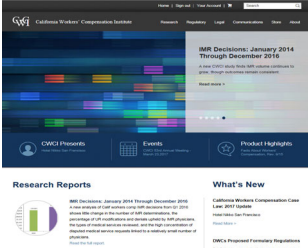
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CWCI: Background

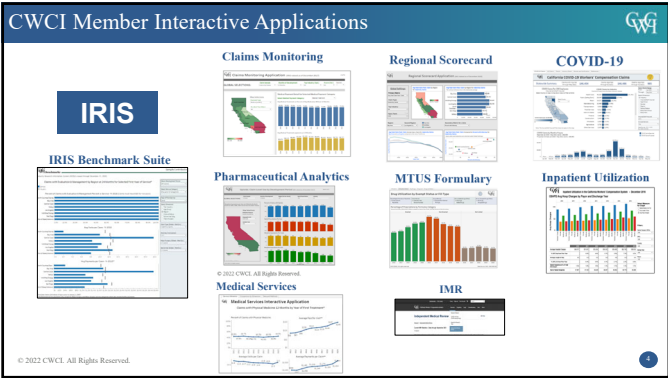
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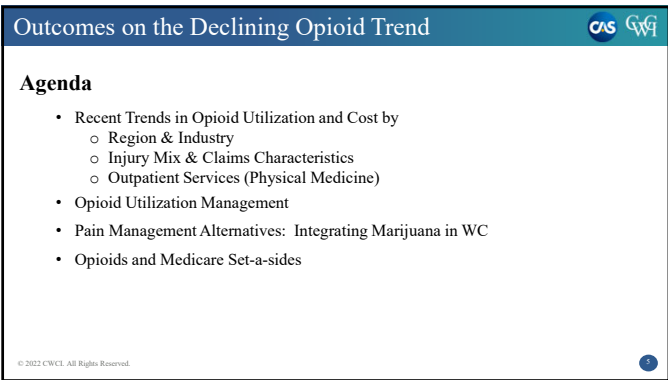
- Public & Member-Only Research
- Interactive Research Applications

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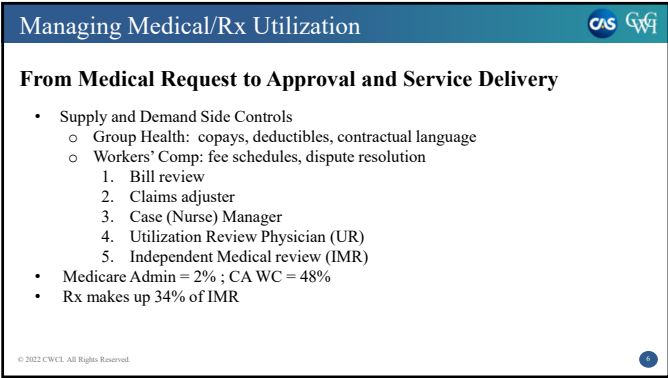
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Opioids in Workers' Compensation

Sizing up and managing the opioid epidemic

- “Cure and relieve” and pain as a “vital sign”
- The Skew: high volume opioid prescribers
- Workers' compensation public policy research
- The rise of evidence-based medicine and guidelines
- Pharmacy Benefit Management Vendors
- Prescription Drug Monitoring Programs
- Celebrity fatalities
- Class action lawsuits against opioid manufacturers
- Drug formularies
- Medical dispute resolution: utilization review and independent medical review

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Medical Treatment Patterns - Pharmacy

Share of Scripts by Service Year and Therapeutic Group

Anti-Inflammatories
+91%

Opioids
-65%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Anti-Inflammatory	17.8%	18.3%	21.1%	24.1%	26.3%	27.5%	31.0%	33.2%	33.8%	34.0%
Opioid	29.2%	28.5%	27.0%	24.1%	22.2%	19.8%	14.9%	11.7%	10.4%	10.2%
Anticonvulsant	5.4%	5.2%	6.1%	6.8%	7.7%	8.5%	9.6%	10.0%	10.5%	10.1%
Dermatological	5.8%	6.1%	5.8%	4.8%	4.9%	5.5%	6.4%	7.8%	8.5%	8.8%
Antidepressant	5.8%	5.9%	5.2%	5.4%	5.5%	5.7%	6.3%	6.6%	7.0%	8.0%
Musculoskeletal	9.7%	9.9%	10.1%	10.5%	10.6%	10.5%	7.1%	6.7%	6.5%	6.0%
Ulcer	7.2%	7.4%	7.4%	7.1%	6.6%	6.4%	6.2%	5.9%	5.9%	5.6%

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Pharmaceutical Trends

Opioids vs. NSAIDs

JAMA March 2018 6;319(9):872-882 (Krebs, Gravelly, Nugent, et al.)

Effect of Opioid vs Non-opioid Medications on Pain-Related Function in Patients With Chronic Back Pain or Hip or Knee Osteoarthritis Pain: The SPACE Randomized Clinical Trial

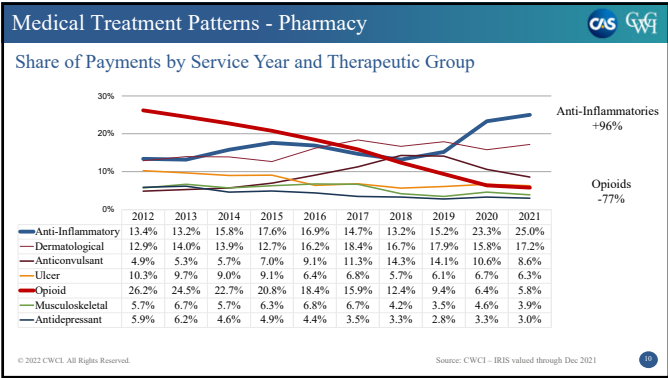
- Treatment with opioids was not superior to treatment with non-opioid medications for improving pain-related function over 12 months



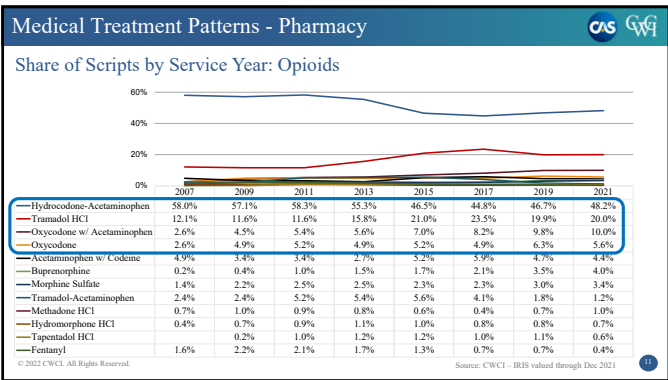
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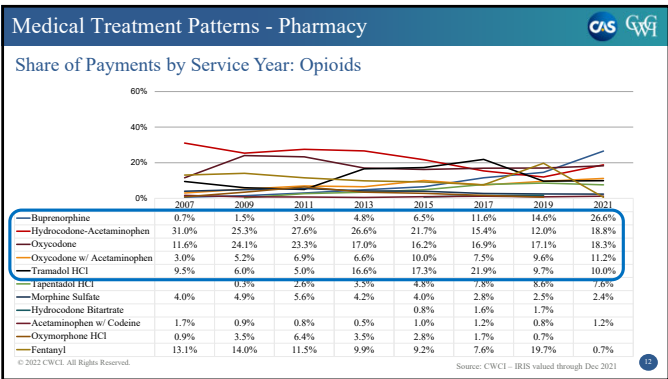
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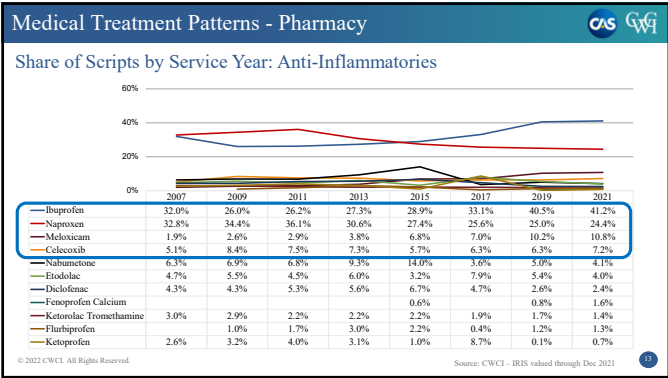
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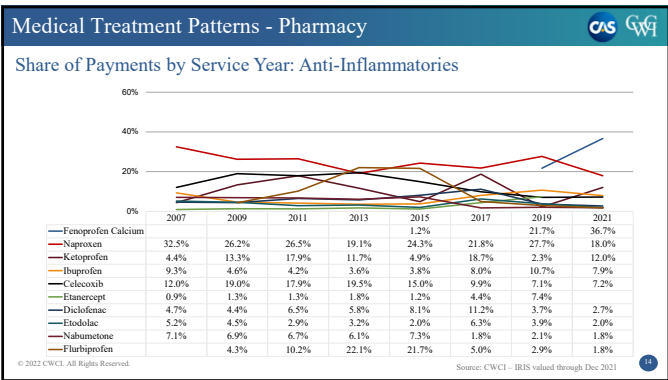
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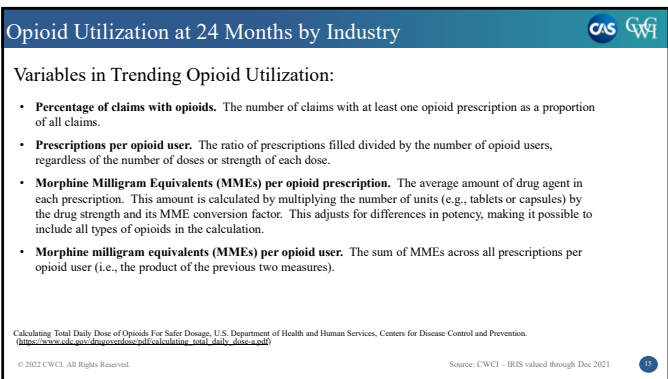
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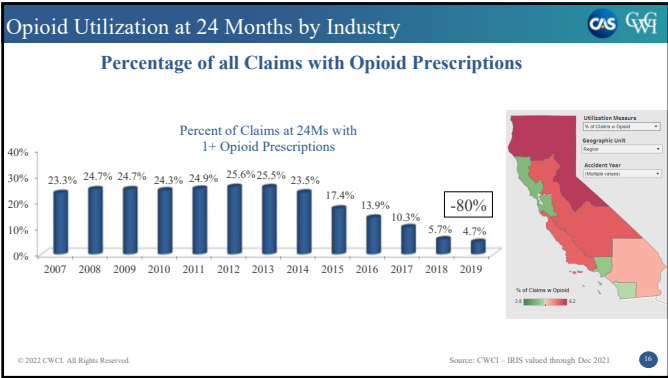
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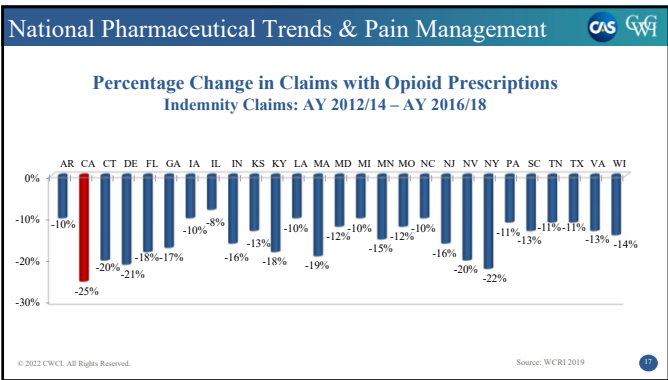
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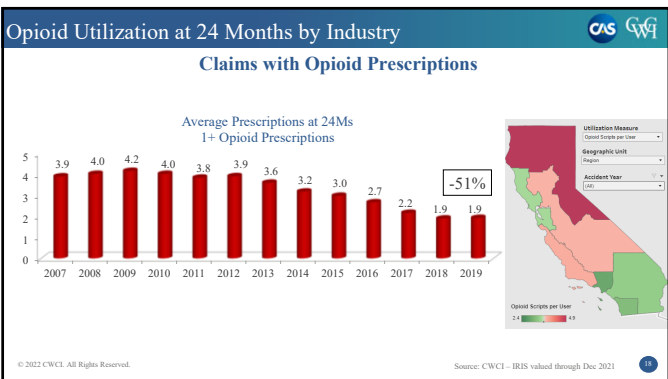
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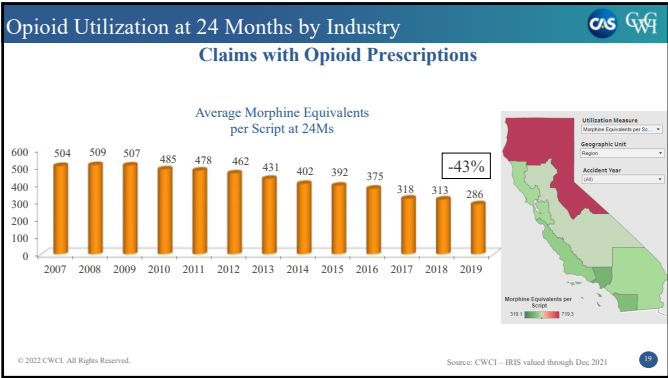
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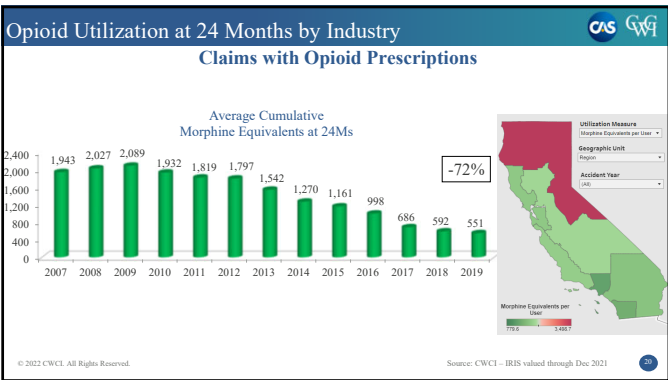
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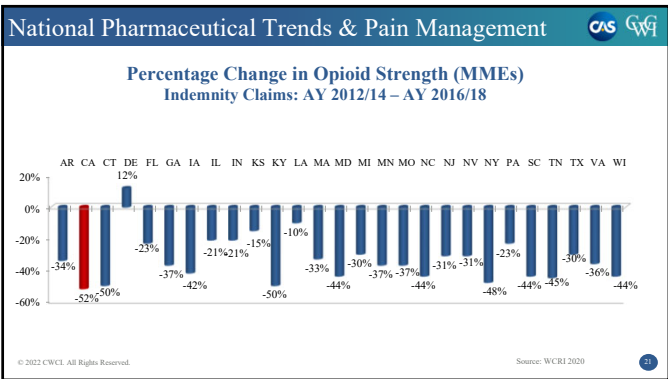
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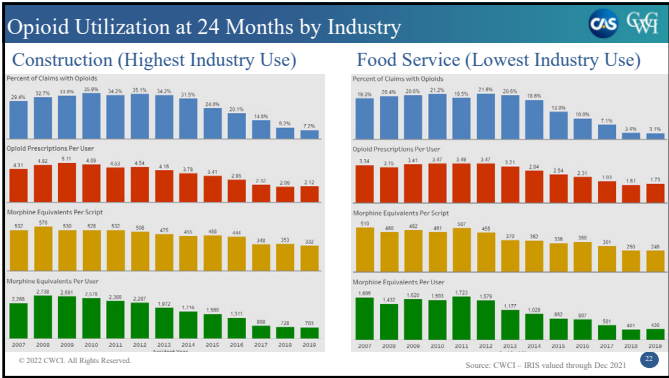
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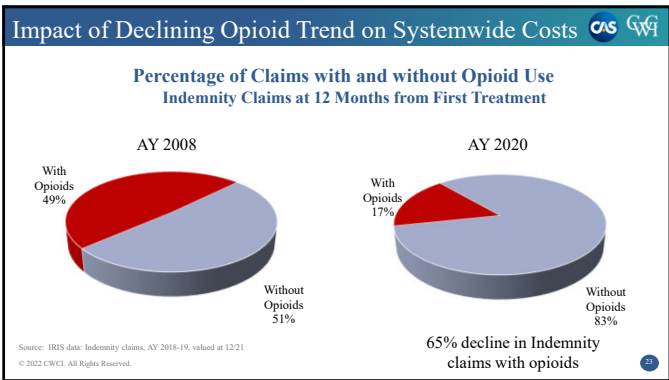
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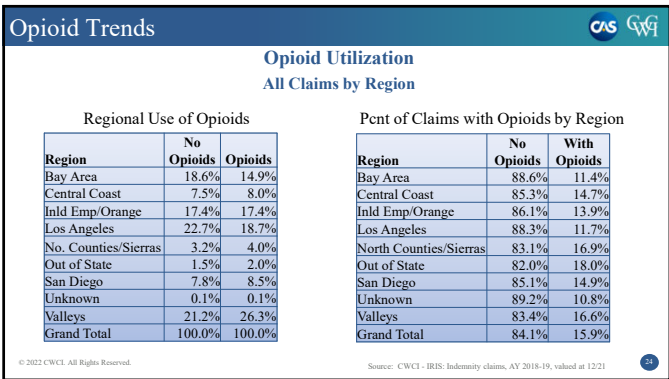
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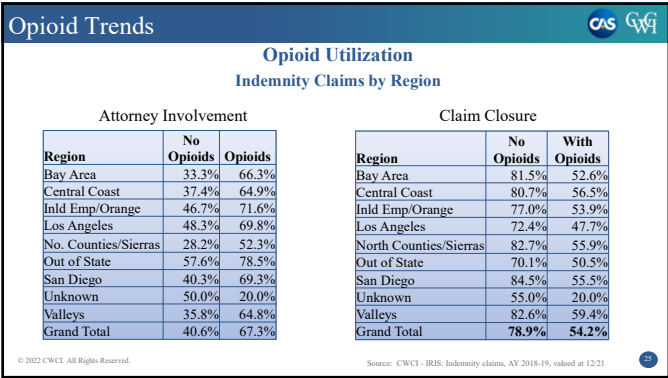
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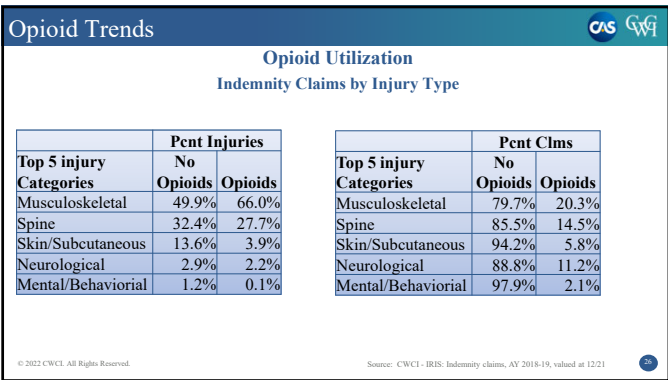
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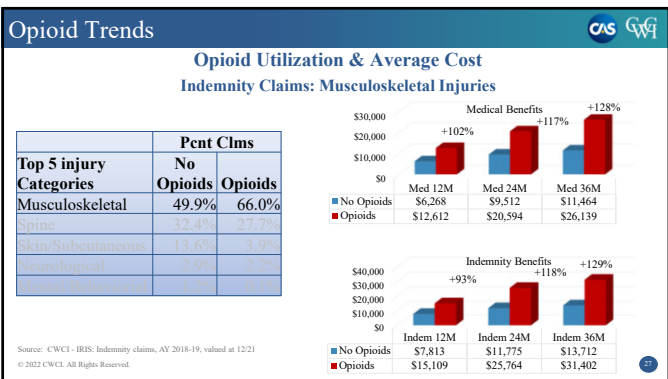
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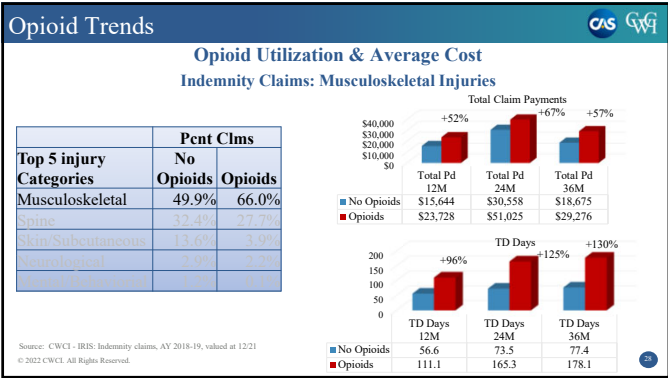
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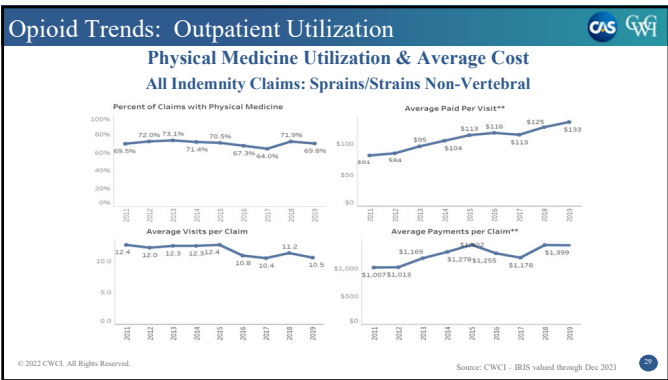
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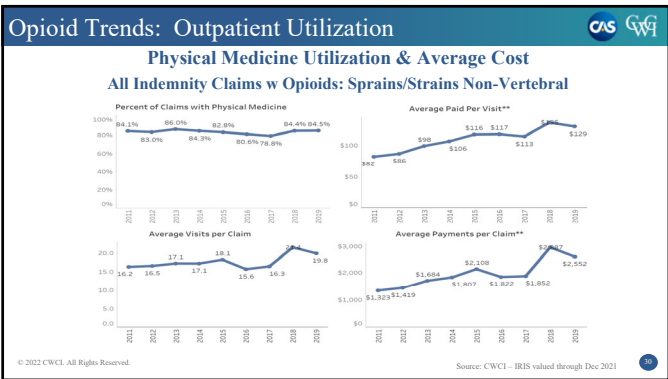
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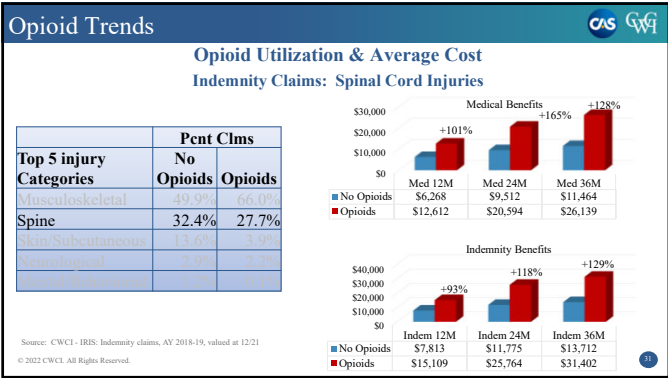
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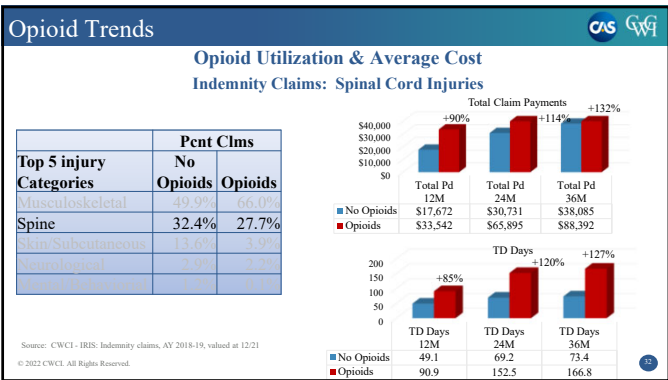
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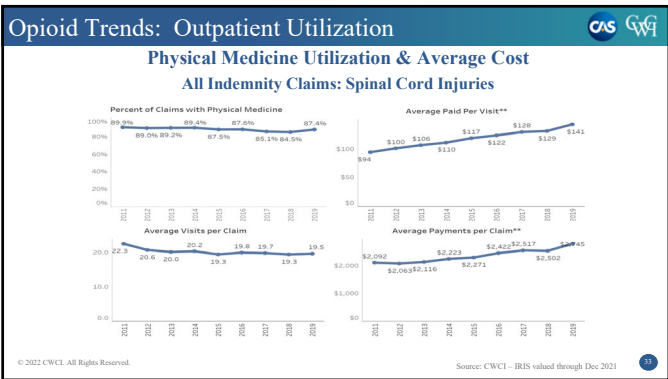
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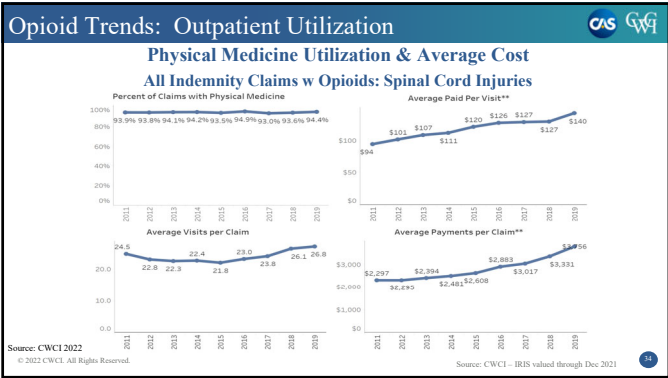
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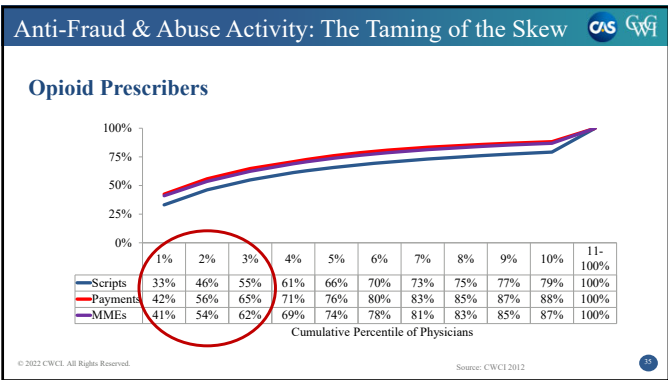
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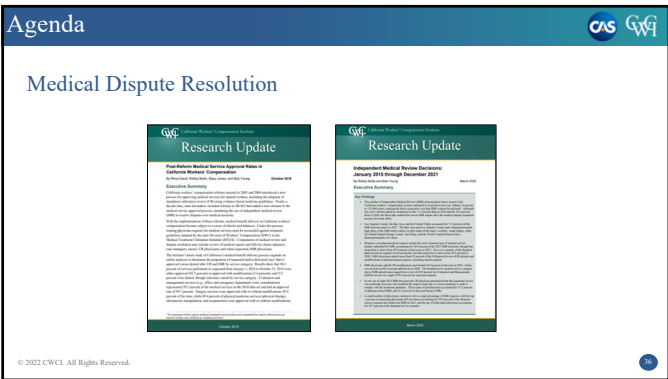
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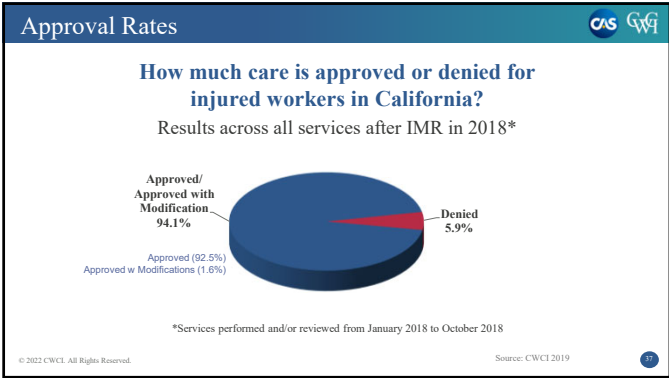
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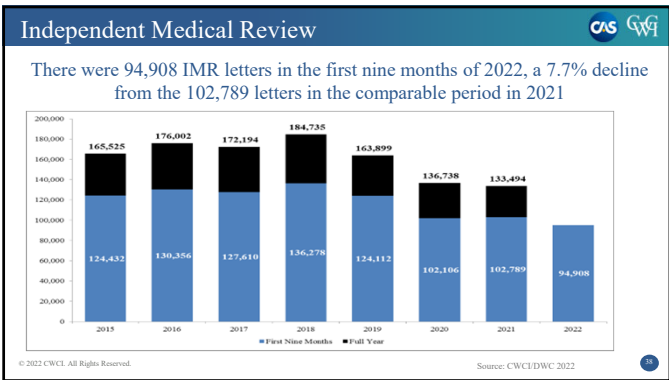
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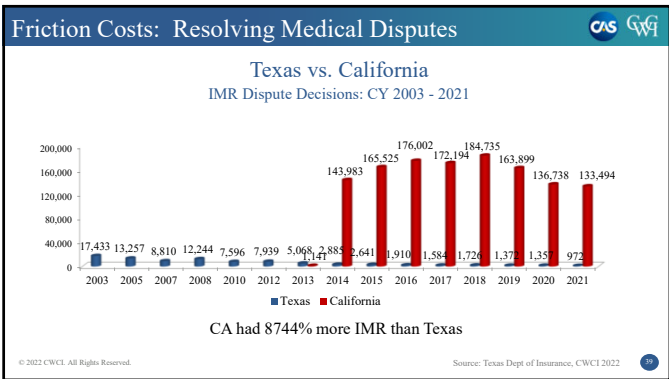
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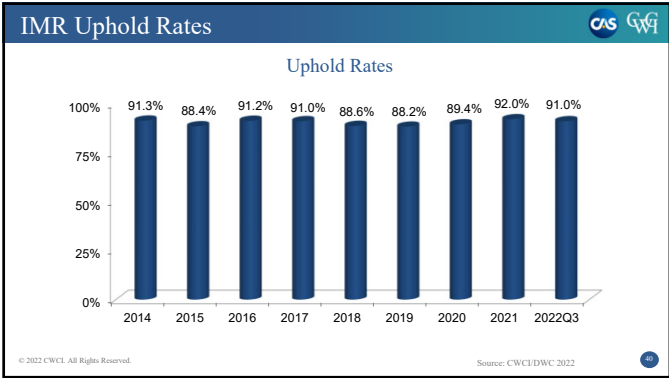
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IMR Service Mix

Service Requested	2015	2016	2017	2018	2019	2020	2021	2022Q3
Pharmaceuticals	49.9%	48.8%	47.3%	46.4%	41.1%	39.1%	34.9%	33.8%
Physical Therapy	8.7%	9.2%	10.0%	10.3%	12.0%	12.3%	13.4%	13.3%
Injections	7.0%	7.5%	8.3%	9.2%	10.2%	11.0%	12.0%	12.2%
DME/Prosth/Ortho	7.7%	7.1%	6.7%	7.1%	7.8%	8.6%	9.5%	8.3%
MRI/CT/PET	4.2%	4.5%	4.7%	4.6%	4.8%	4.9%	5.0%	5.4%
Acupuncture	2.2%	2.3%	2.5%	3.0%	3.7%	3.8%	4.2%	4.5%
Surgery	3.4%	3.2%	3.1%	3.1%	3.6%	3.7%	3.6%	3.7%
Diagnostic Test / Measure	3.4%	3.5%	3.4%	3.4%	3.2%	3.0%	3.0%	2.8%
Chiro Manipulation	1.6%	1.7%	1.7%	1.7%	2.2%	2.2%	2.5%	2.7%
Eval and Mgt	2.3%	2.2%	2.2%	2.0%	1.9%	2.1%	2.3%	2.5%
Laboratory Services	2.8%	3.2%	3.2%	2.5%	2.1%	1.6%	1.6%	1.4%
Psych Services	1.4%	1.4%	1.3%	1.2%	1.3%	1.4%	1.5%	1.7%
Other	5.5%	5.3%	5.6%	5.5%	6.1%	6.1%	6.6%	7.8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

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IMR Uphold Rates by Service

Service Requested	2015	2016	2017	2018	2019	2020	2021	2022Q3
Pharmaceuticals	89.7%	92.5%	91.9%	89.3%	89.2%	90.4%	92.9%	91.3%
Physical Therapy	92.1%	93.2%	93.5%	91.2%	89.7%	89.8%	92.1%	92.5%
Injections	87.4%	89.4%	89.5%	89.1%	88.8%	91.3%	95.0%	95.7%
DME/Prosth/Ortho	90.0%	91.9%	91.9%	88.8%	89.6%	91.3%	93.1%	91.1%
MRI/CT/PET	86.4%	88.6%	89.2%	87.6%	86.3%	88.2%	91.5%	91.3%
Acupuncture	91.6%	93.6%	94.0%	92.7%	89.7%	87.8%	90.5%	93.4%
Surgery	86.6%	88.9%	90.8%	88.1%	88.7%	87.3%	88.5%	85.9%
Diagnostic Test/Measure	84.5%	91.3%	91.3%	89.0%	86.7%	88.7%	92.3%	91.8%
Chiro Manipulation	90.5%	92.1%	93.8%	92.1%	89.1%	86.9%	89.2%	86.7%
Eval and Mgt	67.2%	77.3%	77.8%	75.9%	74.7%	80.7%	84.9%	82.0%
Laboratory Services	82.9%	88.5%	86.5%	82.9%	81.5%	82.1%	87.4%	82.8%
Psych Services	83.2%	85.3%	84.4%	78.8%	79.1%	81.8%	85.1%	81.7%
Other	86.4%	88.5%	87.9%	85.0%	85.4%	87.6%	90.1%	88.6%
Total	88.4%	91.2%	91.0%	88.6%	88.2%	89.4%	92.0%	91.0%

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IMR Pharmacy Mix								
CAS GW								
Rx Drug Category	% of Rx							
	2015	2016	2017	2018	2019	2020	2021	2022Q3
Analgesics-Opioid	30.4%	28.9%	29.5%	32.2%	30.9%	28.3%	25.4%	24.7%
Musculoskeletal Therapy	11.9%	12.6%	12.9%	14.3%	15.4%	16.7%	17.5%	17.6%
Dermatologicals	9.6%	10.3%	11.4%	10.9%	12.8%	14.8%	16.7%	17.2%
Anticonvulsants	5.0%	5.4%	6.0%	8.1%	8.7%	10.1%	10.1%	10.0%
Anti-Inflammatory	7.5%	8.7%	9.7%	7.5%	6.3%	6.4%	7.4%	7.8%
Antidepressants	3.6%	3.9%	4.0%	4.9%	5.0%	4.4%	3.3%	3.4%
Ulcer Drugs	7.3%	7.3%	7.1%	4.7%	3.5%	3.4%	3.5%	3.2%
Hypnotics	3.9%	3.7%	3.1%	2.7%	2.4%	2.0%	1.7%	1.7%
Antianxiety	2.7%	2.7%	2.6%	2.4%	2.2%	1.9%	1.8%	1.6%
Analgesics-Non-Narcotic	1.1%	1.4%	1.8%	2.2%	1.9%	2.1%	2.1%	1.8%
Compounded	8.4%	6.6%	4.2%	2.0%	1.6%	1.3%	1.3%	1.6%
Other	8.7%	8.4%	7.7%	8.2%	9.3%	8.7%	9.2%	9.3%
Total	100%	100%	100%	100%	100%	100%	100%	100%

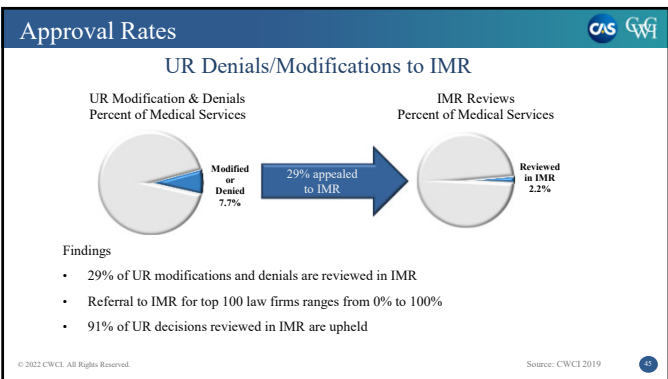
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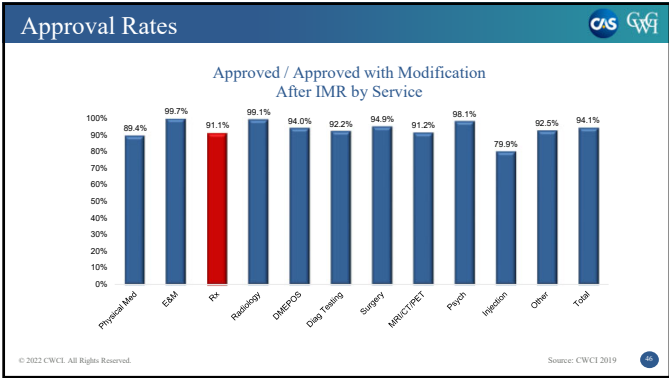
IMR Pharmacy Mix								
CAS GW								
Rx Drug Category	% Upheld							
	2015	2016	2017	2018	2019	2020	2021	2022Q3
Analgesics-Opioid	88.1%	90.3%	90.1%	89.5%	90.2%	90.9%	93.1%	91.7%
Musculoskeletal Therapy	96.1%	96.9%	97.2%	95.8%	95.3%	96.3%	98.5%	98.4%
Dermatologicals	94.8%	96.3%	96.5%	94.6%	93.6%	93.0%	95.1%	96.0%
Anticonvulsants	80.4%	86.8%	87.5%	80.4%	81.9%	86.0%	91.2%	92.0%
Anti-Inflammatory	80.5%	89.3%	88.2%	83.5%	81.0%	82.7%	85.1%	79.6%
Antidepressants	73.1%	83.3%	81.8%	75.8%	74.7%	79.7%	82.4%	73.2%
Ulcer Drugs	89.0%	93.0%	91.8%	88.3%	87.7%	86.6%	89.8%	82.1%
Hypnotics	97.4%	98.2%	97.7%	97.2%	97.2%	97.9%	98.2%	97.6%
Antianxiety	96.3%	97.2%	95.1%	94.4%	92.5%	94.5%	94.6%	91.3%
Analgesics-Non-Narcotic	88.6%	92.5%	91.8%	91.6%	89.5%	90.9%	91.6%	86.5%
Compounded	99.3%	99.5%	99.3%	99.0%	98.4%	98.7%	98.3%	98.7%
Other	87.5%	90.6%	89.3%	85.2%	85.4%	85.9%	89.1%	86.0%
Total	89.7%	92.5%	91.9%	89.3%	89.2%	90.4%	92.9%	91.3%

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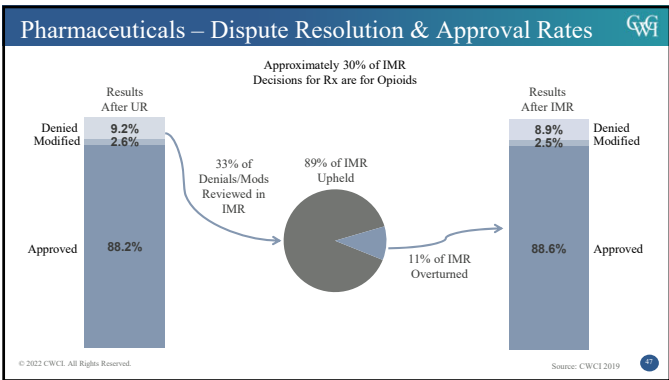
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California Pharmaceutical Formulary

MTUS Drug Formulary

AB 1124 - October 2015; Live Jan 2018
Rx now fall into 3 categories:
Exempt, Non-Exempt, Not Listed

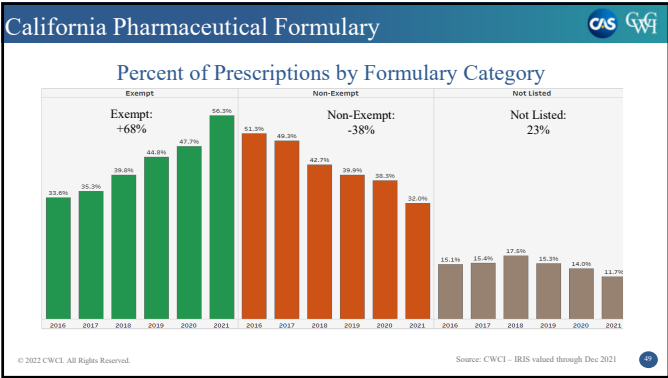
Legislative Intent:

- Improve quality of care
- Reduce Rx costs
- Reduce friction costs (UR and IMR)

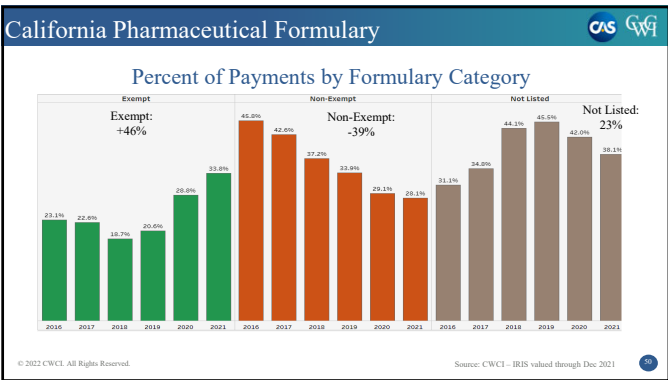
2014 CWCI study showed a TX or WA formulary could save CA between 10-50% (\$100-\$500M)

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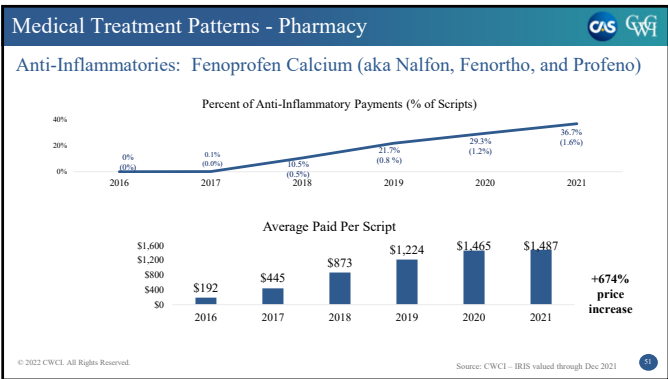
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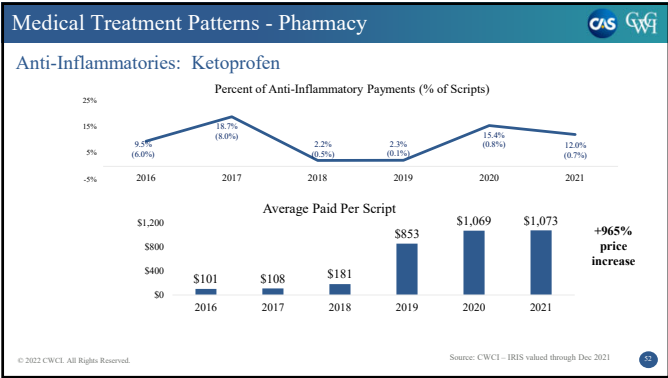
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Pharmaceutical Trends & Pain Management

Implications of Legalized Marijuana on Workers' Compensation

What happens when popular culture moves faster than medical science and the law?

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Implications of Marijuana on WC

Criminalized Marijuana: 1937-1996

AMERICA IS AT WAR Against the vicious evil of MARIJUANA!

Beware! Young and Old - People in this may be handed you by the Klondike stranger. It contains the most deadly poisons - a powerful narcotic in which lies Murder! Insanity! Death!

Drop peddlers are abroad! They may get some of this drug in the or in the or in the tobacco cigarette.

RETURN: THE INTER-STATE NARCOTIC ASSOCIATION

Federal Bureau of Narcotics Public Service Pamphlet
Circa late 1930s-1940s
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Marijuana has been classified as a Schedule I drug by the FDA for over 50 years creating several limitations on medical research:

- Difficulty in obtaining necessary permits and grants to perform human trials
- Societal and legal disincentives for researchers and patients to do studies
- Researchers are limited to use strain of marijuana not representative of strains available in dispensaries*

*Potency = 8-13% THC, instead of 19-30% available commercially

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Implications of Marijuana on WC

Legalized Marijuana – 1996-2022

Beginning in 1996, states began to pass legislation permitting **medical marijuana**

In 2012, states began passing legislation permitting **recreational use** of marijuana

Today, 46 states have laws allowing some form of legalized marijuana use

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Implications of Marijuana on WC

Emerging Research: Health Affairs

- Physicians in states with legal marijuana prescribe fewer opioids
- Data show consistent reductions in opioid use for Medicare and Medicaid patients where marijuana is legal

SOURCE: Health Affairs, July 2016 (Ashley C. Bradford and W. David Bradford)

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Implications of Marijuana on WC

Marijuana On the Job

Reconciling Developing Case Law

- TRADITIONAL (California 2008):** There is no general right to use medical marijuana, only protections from criminal sanctions -- and **EE can be terminated for violation of drug-free workplace rules**
- NEW TREND (Massachusetts 2017):** Legalization of medical marijuana shows obvious legislative intent of right to use medical marijuana, and **employer risks disability discrimination claim for termination of employee who tests positive at work**

Regardless, intoxication remains a compensability issue

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Implications of Marijuana on WC

Reimbursement under Workers' Comp

States ordering reimbursement:

Connecticut

Delaware

Minnesota

New Jersey

New York

New Mexico

States denying reimbursement:

Arizona

Colorado

Florida

North Dakota

Maine

Massachusetts

Michigan

Montana

Oregon

Vermont

• Not a North/South, urban/rural, or red state/blue state issue

• Adjacent states have opposite views

• Most states are silent on the issue

• New Mexico has a fee schedule

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Implications of Marijuana on WC

Political and Bureaucratic Hurdles

DEA currently lists Marijuana as a Schedule I controlled substance

• No currently accepted medical use in the US

• Lack of accepted safety for use under medical supervision

• High potential for abuse

What if Marijuana is re-classified from Schedule I to II?

• The substance would no longer be illegal at the federal level

• Conflict with state laws would be removed

• More clinical studies could be performed

• Reimbursement would be simplified

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Pharmaceutical Trends & Pain Management

Opioids in Medicare Set Asides

An analysis of a federal policy conflict:

• Increased calls for federal oversight for opioid epidemic

• CMS (38% of all GH) leverages evidence-based guidelines for safe opioid use

• Explicit federal rules over Medicare Set-asides: a financial instrument

A REPORT TO THE INDUSTRY

Opioids in Workers' Compensation Medicare Set-Asides

ANALYSIS AND RECOMMENDATIONS

California Workers' Compensation Section

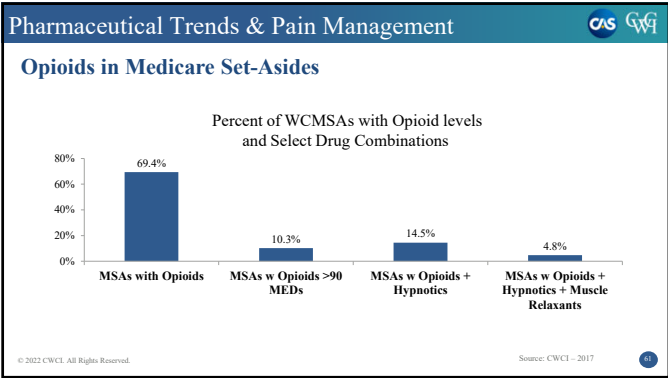
DECEMBER 2021

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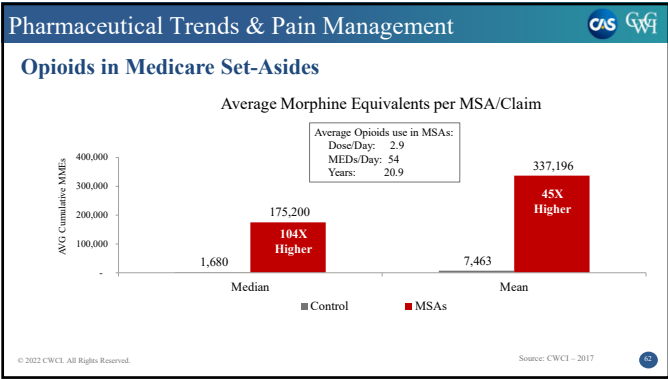
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Thanks for listening!
Questions?

Outcomes on the Declining Opioid Trend
in California Workers Compensation

Alex Swedlow
President, CWCI

2022 CAS Virtual Trunk Show
December 2, 2022

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