

Prescription Opioid Abuse: Private Payer Perspective

Tufts Health Care Institute's Program on Opioid
Risk Management

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WELLPOINT

Agenda

- Overall problem of prescription opioid abuse
- The impact on private payers
- What is being done

The Overall Problem

“Abuse of prescription and over-the-counter drugs is sending more people to emergency rooms than cocaine, according to new federal data that reflect the growing popularity of powerful painkillers such as OxyContin, Vicodin and hydrocodone. The data, to be released today by the Substance Abuse and Mental Health Services Administration (SAMHSA), show that 1.3 million people visited a hospital emergency room in 2004 for illnesses involving drug abuse. The administration collects data from 417 hospitals and 106 million total emergency room visits.

One in four — or 495,732 — drug-related emergency room visits involved pharmaceuticals: over-the-counter or prescription drugs. One in five — 383,350 — visits involved cocaine. Marijuana was involved in 215,665 emergency room visits.”

The drugs are cheap and readily available on the street, Troncale says.

"OxyContin, Percocet — all these medicines are just being handed out like candy. I think there's too much availability," Troncale says.

Most prescription drugs abused or sold on the street come from pharmacy robberies, pharmacist dealers or doctor dealers, says Mark Caverly, an investigator for the Drug Enforcement Administration.

Private Payer Impact

100 members in 90 days (4Q05)

- Med claims paid: \$832,172
- Rx claims paid: \$ 20,233
- Rx costs per member: \$ 202
- Medical costs per member: \$8,322

100 members in 90 days (4Q09)

- Med claims paid: \$1,211,130
- Rx claims paid: \$ 132,027
- Rx costs per member: \$ 1,320
- Medical costs per member: \$12,111

Impact, cont.

- Institutional
 - Increases health insurance costs
- Direct and indirect impact on members
 - Health
 - Lack of medical management
 - Financial
 - Premium increases
 - ID theft
 - Particular impact on Part D beneficiaries

SIU Rx Initiative

- A comprehensive internal mechanism that proactively identifies members suspected of the inappropriate procurement of controlled drugs and institutes appropriate interventions
 - **Intervene** when a member is using pharmacy and/or medical benefits inappropriately to acquire controlled medications
 - **Improve** member health by encouraging the appropriate use of controlled prescription drugs
 - **Reduce** cost of care by effectively reducing inappropriate utilization of health care resources

Member Name: xxxxxxxxx

ID#: xxxxxxxxxxxxxxxx

90 day period: xx/xx/xx – xx/xx/xx

Drug Summary*

Drug Name	# Prescriptions	Qty.	Days Supply	Prescribers	Pharmacies
Total					

Synopsis: This member was identified based on 1Qxx pharmacy claims as having received prescriptions for narcotics from multiple prescribers and pharmacies. A review of pharmacy and medical claims from xx/xx/xx to xx/xx/xx indicates that the member received _____ prescriptions for narcotics from ___ prescribers and _____ pharmacies. The member had _____ office visits, and had _____ E.R. visits. [Additional case summary specific to member’s activity and history]

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Results

- For Private Payers
 - Drug and medical cost of care reduction
 - Better coordination among monitoring programs
 - Increased ID theft awareness
- For Members
 - Pharmacy and medical claims reduction
 - Improved health/effective medical management
 - Lower health insurance costs



QUESTIONS

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Prescription Opioid Abuse; Private Payer Perspective

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