The Opioid Epidemic and Your Benefit Plan

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Presentation Topics

- The Opioid Epidemic
- How Benefit Plans Became Vulnerable
- The High Cost of Out of Network Services
- The Hidden Costs of Opioid Abuse
- Best Practices
The Opioid Epidemic
The U.S. & Opioid Prescriptions
Consumption of Global Opioid Supply

- 80% United States
- Rest of the World

Source: 2014 Express Scripts Report
Consumption of Global Hydrocodone Supply

99%

- United States
- Rest of the World
Opioid Prescriptions Have Skyrocketed

Since 1999, sales of prescription opioids in the U.S. have quadrupled.
Women and Opioids

48,000
Nearly 48,000 women died of prescription pain medication overdoses between 1999 and 2010.

400%
Deaths from prescription pain medications among women have increased over 400% since 1999, compared to 265% among men.

30
For every woman who dies of a prescription pain medication overdose, 30 go to the emergency department for pain medication misuse or abuse.

Source: Centers for Disease Control and Prevention
Prescription Drug Abuse

National Overdose Deaths
Number of Deaths from Prescription Drugs

Source: National Center for Health Statistics, CDC Wonder
Prescription Opioid Side Effects

- Tolerance—possible need to take more of the medication for the same pain relief
- Physical dependence—symptoms of withdrawal when the medication is stopped
- Increased sensitivity to pain
- Depression
The Heroin Epidemic

CDC Report
July 2015:

• Heroin use has increased across the US among men and women, most age groups, and all income levels.

• Some of the greatest increases occurred in groups with historically low rates of heroin use: women, the privately insured, and people with higher incomes.

• Heroin use more than doubled among young adults ages 18–25 in the past decade.
The Heroin Epidemic

National Overdose Deaths
Number of Deaths from Heroin

Source: National Center for Health Statistics, CDC Wonder
The Heroin Epidemic

Rates for drug-poisoning deaths in the U.S. involving heroin by selected age & ethnicity groups.

Source: CDC/NCHS National Vital Statistics System
How Benefit Plans Became Vulnerable
Landmark Legislation

PPACA
Patient Protection and Affordable Care Act

MHPAEA
Mental Health Parity and Addiction Equity Act
Landmark Legislation

PPACA
• Removed annual and lifetime limits that benefit plans had enacted to avoid financial disaster.
• Added more than 2.3 million 18-25 year olds to their parent’s health insurance*. 

MHPAEKA
• Required plans to remove plan limitations that were more restrictive than limits on medical services.

* U.S. Department of Health & Human Services
The High Cost of Out of Network Services
## Florida Treatment Admission Review

**17 Month Period:** 1/1/2013 to 9/30/2015

<table>
<thead>
<tr>
<th></th>
<th># Of Claims</th>
<th>Total Amount Paid</th>
<th>Cost Per Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Network</td>
<td>80,988</td>
<td>$55,543,550</td>
<td>$686</td>
</tr>
<tr>
<td>Out of Network</td>
<td>336,825</td>
<td>$420,683,272</td>
<td>$1,249</td>
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## Insurance Carrier’s Findings

<table>
<thead>
<tr>
<th></th>
<th>“Platinum” In Network Facilities</th>
<th>Out of Network Facilities</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Cost of 90 Days of Care</td>
<td>$8,069</td>
<td>$46,877</td>
<td>481%</td>
</tr>
<tr>
<td>Readmissions Within 90 Days</td>
<td>3.2%</td>
<td>18.0%</td>
<td>463%</td>
</tr>
</tbody>
</table>
Insurance Carrier Out of Network Claims Repricing

I’VE GOT YOUR BACK.
WELCOME TO FORT KNOX
HCPCS Code: H0015

“Alcohol and/or drug services
intensive outpatient treatment
(at least 3 hours/day, 3 days/week)

If your carrierreprices claims based on
Medicare rates be sure to talk to them about
how this code is handled by their system.
The Hidden Costs of Opioid Abuse
The FAIR Health Reports

FAIR Health
A national, independent, nonprofit dedicated to transparency in healthcare are costs and health insurance information.

Data analysis of over 21 billion healthcare claims to identify trends and patterns in costs and services
From 2011 to 2015 the dollar value of charges for opioid-related diagnoses, as well as the allowed amounts for these diagnoses, rose over 1,000%.

In 2015 private payers’ average costs for a patient diagnosed with opioid abuse or dependence were 556% higher – almost $16,000 per patient - than the per-patient average cost.
Claims Analysis Findings

Average Per-Patient Charges for Services for All Patients and for Patients with Opioid Abuse or Dependence Diagnoses

<table>
<thead>
<tr>
<th>Year</th>
<th>All patients</th>
<th>Opioid patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$9,972</td>
<td>$50,490</td>
</tr>
<tr>
<td>2014</td>
<td>$10,742</td>
<td>$53,662</td>
</tr>
<tr>
<td>2015</td>
<td>$11,404</td>
<td>$63,356</td>
</tr>
</tbody>
</table>

Source: FAIR Health
Best Practices
• Establish a gatekeeper for all behavioral health treatment services.
  – All calls for these benefits should be directed to the gatekeeper.
    • Have phone # on insurance card
  – Whenever possible the gatekeeper should make direct contact with the identified patient.
  – Gatekeeper will explain plan rules, benefits, difference between in and out of network and warn of unethical treatment program tactics.
Best Practices

• Require pre-certification for inpatient and partial hospitalization behavioral health admissions.
  – This will not violate the MHPAEA if your Fund requires precertification for medical admissions.
Develop a preferred provider network of substance abuse treatment programs

• Plans can work with their employee assistance program (EAP) or their labor assistance program (LAP) to develop their own network of treatment programs, both inpatient and outpatient.

• Many treatment programs are very willing to negotiate reasonable “all-inclusive” per diem rates for health plans.

• Claims from these providers would be billed directly to the benefit plan and reimbursed at the agreed upon rate, which may or may not be subject to plan rules such as deductibles and coinsurance.

• Plan sponsors would be wise to reduce or eliminate cost sharing when participants use preferred treatment programs to encourage the use of these programs.
Best Practices

• Establish a policy to review all claims for plan participants that are enrolled substance abuse treatment.
  – OON lab bills should receive the closest scrutiny.

• Consult with appropriate medical experts and establish policies & limits for drug testing.
  – Ex. Number of tests covered per week (inpatient vs. outpatient) and types of tests covered.

• Check the recommended guidelines of Medicaid and Medicare.
Best Practices

• Review your plan’s out-of-network benefit allowances
  – If they are too generous, consider reducing them to encourage participants to use only in-network programs.

• Review your Fund’s policy on reimbursement for drug testing. If there are no limits consider establishing limits on number of tests per admission or per week and set caps on out of network claims.

• Actively communicate with your members about these changes and why you are making them.
Best Practices

• Improve your plan’s oversight of all prescriptions, especially opioids.

• Require prior authorization for opioid pain management prescriptions of 15 days or longer.

• When opioid abuse is suspected, contact the prescribing physicians to make them aware of your concerns, and make all of the patient’s physicians aware of the medications the patient is receiving from other physicians.
Best Practices

Check your benefit plan: Does it provide access to:

• Addiction Medications:
  – Naloxone, Vivitrol, Suboxone, Methadone and Narcan

• Alternative Pain Management Therapies:
  – Massage therapy
  – Acupuncture
  – Medical marijuana
Medical Marijuana & Health Care Costs

Health Affairs Article 2015:

• Demonstrated that states that legalized medical marijuana saw declines in Medicare prescriptions and Medicare Part D spending.
• Conclusion: Medical marijuana saved Medicare about $165 million in 2013.
• Estimate: If available nationwide, medical marijuana would have reduce Part D costs by about $470 million or half a percent of the program's total expenditures.
Best Practices

Member Education

• Educate your plan participants about:
  – The high prevalence of opioid abuse
  – The dangers of long term prescription opioid use
  – The signs of prescription drug abuse
  – Alternative pain management therapies
  – Where to seek help when abuse occurs
Key Takeaways

• The U.S. has experienced an serious opioid abuse epidemic for over a decade.
• The costs of this epidemic are far reaching and include significant cost increases for benefit plans.
• The ACA and MHPAEA implementation put plans at high risk for fraud and abuse.
• There are many actions that plans can take to minimize their exposure to unethical treatment programs while at the same time improving member access to treatment, including:
  – Reviewing plan policies and limitations
  – Tightening plan rules for out of network services
  – Educating members on prevalence and dangers of opioid abuse