

If an employee receives a prescription for narcotics after a workplace injury, it can pose significant safety issues and add unnecessary costs without proper monitoring. Our narcotic management program can help you gain control.

At a cost of more than \$1.4 billion annually, narcotics and opioids have rapidly become one of the highest cost therapeutic categories for workers' compensation injuries.* They are also among the most difficult to manage. No employer wants to have injured workers in undue pain or discomfort – narcotics do alleviate pain. However, there are serious issues to consider with regard to prescription abuse and misuse, especially for opioids such as Oxycontin and Vicodin.

How can employers help injured workers while ensuring appropriate use of narcotics and reducing unnecessary costs? Sedgwick's comprehensive, clinically-based narcotic management programs can help.

Understanding the challenges in narcotic management

Over the past 10 years, opioids, a type of narcotic, have become more commonly used to treat chronic to severe pain associated with workers' compensation injuries. Known by the generic names of morphine or codeine, and now more frequently by the brand names Oxycontin and Vicodin, opioids are powerful pain relievers.

However, many of these medications were initially intended for end-stage cancer, not for common workplace injuries.

While there is likely *some* benefit in *some* cases for the use of such medications to treat workers' compensation injuries, clinicians note that those benefits are typically seen by just a small percentage of patients. There is little evidence to support their long-term or widespread use in standard workers' compensation injuries.

In fact, a study reported by the American Insurance Association found that only a minority of workers with back injuries improved their level of pain (26%) and function (16%) with the use of opioids.** What's more, there is a high risk for abuse, dependency, and over-utilization with this classification of drugs. Indeed, the strongest predictor of long-term opioid use was when it was prescribed within the first 90 days post-injury; meaning every prescription – especially the first one – must be carefully scrutinized to ensure appropriate utilization and optimal benefit.

Employers are also concerned about the cost of narcotics. While narcotic use is concentrated among a small percentage of claimants, per-claim costs for narcotics have increased more than 50% over the past decade.

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Key statistics

- From 1997 to 2007, the milligram per person use of prescription opioids in the U.S. increased from 74 milligrams to 369 milligrams – that’s an increase of more than 400%
- In 2000, retail pharmacies dispensed 174 million prescriptions for opioids; by 2009, 257 million prescriptions were dispensed – an increase of more than 40%
- Opioid overdoses, once almost always due to heroin use, are now increasing due to abuse of prescription painkillers

White House Office of National Drug Control Policy

The people and tools to manage narcotic utilization

Sedgwick offers clients the most comprehensive portfolio of tools and strategies to address the challenges of narcotics management in the nation. Sedgwick’s pharmacy management team consists of pharmacy product managers, doctors of pharmacy, physician advisors, and registered nurses. Rather than rely on traditional telephonic case management or utilization review, a comprehensive team supports the quality care and health safety concerns regarding pharmacy dispensing and treatment plans.

Our experienced pharmacy management team ensures there is a valid diagnosis for every prescription filled. Special care and attention is given to injured workers complaining of pain – as pain is not a diagnosis or a valid reason to prescribe narcotics. However, when it comes to workers’ compensation injuries, pain is a symptom that must be managed and addressed to ensure a more prompt return to work, productivity on the job, and overall quality of life.

Managing narcotics is not about removing viable medications for mitigating pain from the therapies available to providers – it is about ensuring the best possible medications for workers’ compensation injuries are used.

We work closely with respected physicians and identify evidence-based guidelines that must be followed for appropriate use of medications, ensuring we provide responsible and compassionate care.

Working hand in hand with our clinical staff are Sedgwick claims examiners. It is the incorporation of experienced claims examiners that sets Sedgwick’s narcotic management program apart from virtually any other program in the industry. Our examiners represent the first line of defense in ensuring proper utilization, fraud detection, and cost control. They have the tools, resources, and instant access to claims data needed to quickly make decisions based on readily available best practices – and the ability and authority to contact nurses or physicians if needed for complex cases.

For example, examiners are trained to look for red flags, such as:

- Higher than normal physician dispensing
- Lower than average generic dispensing
- Higher than average prescribing of opioids such as Fentanyl Citrate

But we know prescribing medications is a complex issue – reports and percentages alone don’t tell the whole story. look beyond simple prescribing reports to uncover additional information that could indicate why prescribers’ patterns are outside the norm. For example, use of amphetamines could indicate that a patient has a traumatic brain injury, where such medications are a standard treatment protocol.

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Targeted and outcomes-based formulary development

Our focus is on building programs based on best practices with proven outcomes, supported by experienced quality physicians that understand the nature of workers' compensation injuries. Sedgwick's pharmacy team goes beyond creating a one-size-fits-all workers' compensation injury formulary to develop an overlay of acute and chronic formularies to accompany the injury-specific formulary. Acute and chronic formularies address point-in-time appropriateness of medication therapy rather than simply applicability to the diagnosis. The formularies include preferred drugs for acute and chronic cases to best manage drug utilization through every stage of the injury and recovery. This ensures that drugs that are not suitable for the injury type and the age of the claim are identified at the point-of-sale, and enables claims examiners or nurses to intercede with drug management if needed. This is particularly useful in the acute injury stage to eliminate early narcotic use where it is not appropriate.

The Sedgwick process also includes authorization alerts. When drugs are outside of the formulary, claims examiners and nurse case managers receive notifications (based on triggers customized for each client), and their review and approval is required before it is filled at the retail pharmacy. Improving awareness of formulary management across all key stakeholders is necessary for a comprehensive pharmacy management program, including the injured worker, examiner, clinicians, pharmacy benefit manager, treating provider, and physician advisor.

In addition, in the event a narcotic is prescribed, Sedgwick reviews the injured worker's entire medical history, using both in-network and out-of-network transactions and non-occupational associated medications to evaluate actual medication use and ensure appropriate utilization. Profiles are reviewed on a monthly basis to identify high-risk medication usage, such as high doses, duplications of narcotic therapy, etc.

Sedgwick offers a sophisticated pharmacy clinical review program

When a decision is made to use a narcotic to manage pain, Sedgwick's nurses maintain close monitoring. At set intervals throughout the course of treatment, our nurses will conduct an analysis of medication efficacy using best practice guidelines to determine if pain has diminished and if the injured worker can return to work.

Our nurses also develop alternate therapeutic plans in the event that the initial therapy does not perform to clinical expectations, including non-opioids and other pain control options if the worker cannot tolerate opioids.

To further optimize medications and ensure efficacy, we require follow-up appointments within three days and only authorize three days of initial treatment. This helps determine whether or not the medication has improved pain control and function.

We believe another critical step to managing narcotics is to thoroughly educate and inform employees as to the benefits, dangers, and alternatives for narcotics. Sedgwick's clinical team provides relevant and engaging education for injured workers to ensure they understand how to use narcotics appropriately and the dangers of misuse. Our education is conducted by trained clinicians and includes:

- Training the injured workers about their medication, adverse side effects, and alternative medication options
- Required screenings for risk of addiction or abuse (history of drug or alcohol abuse, or regular use of sedatives)
- Opioid use agreement/contract with urine drug screenings and avoidance of other sources for medication such as emergency rooms

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A number of factors will trigger our pharmacy clinical review program, including:

- Narcotic class medications for the treatment of pain (Oxycontin, Demerol, etc.)
- Use of multiple medications excessively or from multiple therapeutic classes
- Using medications not typical for the treatment of workers' compensation injuries
- High cost medications
- Receiving high doses of morphine equivalents daily for treatment of chronic pain
- Using three or more narcotic analgesics
- Receiving duplicate therapy with NSAIDs, muscle relaxants, or sedatives
- Using both sedatives and stimulants concurrently
- Using compounded medications instead of commercially available products

Network development

All of Sedgwick's programs and services are supported and enhanced through the use of the industry's most comprehensive and focused network of pharmacies and prescribing providers. There are more than 60,000 participating pharmacies, physician clinics, and medical providers in our pharmacy benefit management program.

Our network also drives non-formulary point-of-sale prescription requests, which helps us to better re-price those prescriptions.

In fact, our pharmacy benefit management network is at 93% penetration compared to an industry average of 70%; that means more of our clients' prescriptions are going through the review, analysis, and pricing discounts that can help ensure optimal utilization and lower costs.

Improving outcomes and efficiencies through technology

Sedgwick's technology plays an important role in helping to manage every element of the prescription process. Our proprietary claims management system helps to monitor prescriptions as they are being written.

Our system is focused on ensuring that our nurses and examiners have access to the information they need to do their jobs quickly, appropriately, and in a manner that controls costs while ensuring the health and safety of injured workers. Instead of going to multiple websites to secure information on eligibility, history, formulary, or utilization, examiners can access the information in one central location.

If there are identical prescriptions by multiple prescribers, potential medication errors, or other problems, we can immediately alert our pharmacy benefit partners, who can reach out to physicians to change the prescription.

Exceptional data and insights for our clients

Sedgwick offers one of the largest workers' compensation data warehouses in the nation. This data is continuously mined to identify potentially fraudulent rings, patterns of prescription abuse, and other factors leading to the inappropriate and costly utilization of narcotics.

Controlling costs

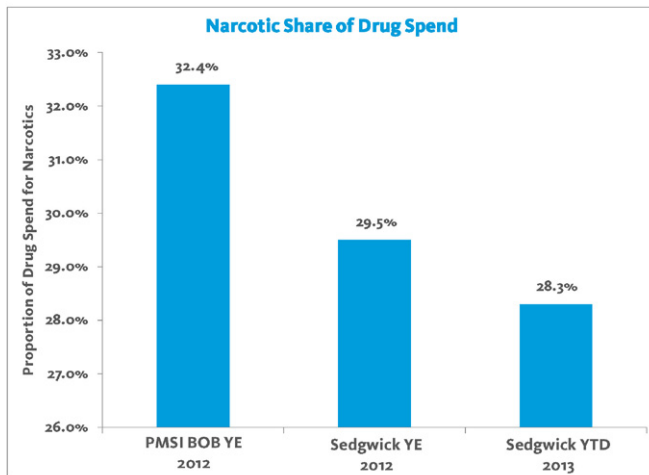
Our clients look to us to help ensure appropriate use of narcotics. They also rely on our expertise to manage costs. We evaluate each client's total drug spend monthly to identify opportunities to increase network penetration. Sedgwick also offers the strength of one of the nation's largest providers of claims services, working with some of the top employers in the nation, to help negotiate optimal

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pricing. Our approach has made us one of the lowest cost providers of pharmacy benefits for workers' compensation in the nation.

According to PMSI, the leading workers' compensation pharmacy benefit manager, Sedgwick has the lowest narcotic drug spend among its entire book of business (BOB). Our average cost per day of medication therapy was 9.3% less than the industry average as measured by PMSI, which analyzes workers' compensation drug spend for every major pharmacy benefits manager. We also achieved a higher generic efficiency rate not only for narcotics, but for all medications.

The NCCI average ratio for prescription drugs is 19% of medical spend; Sedgwick's figure for clients is 11%.



The Sedgwick difference

When determining how best to manage narcotic utilization, employers today have many choices. However, Sedgwick is the only option to provide a comprehensive and integrated array of services and experts, from nurse case managers to claims examiners, covering every step of the prescription management process. Our approach results in a program focused on safety and return to work, lower costs, and better clinical outcomes for patients. Sedgwick's narcotic management program includes:

- Clinical oversight/nurse case management
- Best practice development
- Formulary management
- Contracting and negotiation
- Network development
- Fraud detection and prevention
- Claims management
- Employee education and outreach

* "Narcotics in Workers Compensation," NCCI Research Brief, Dec. 2009
** <http://www.aiadc.org/AIAdotNET/docHandler.aspx?DocID=351901>

