

March 15, 2018

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Peter Roskam
Chairman, Health Subcommittee
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member, Health Subcommittee
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Brady; Ranking Member Neal; Subcommittee Chairman Roskam; and
Subcommittee Ranking Member Levin:

I am writing in support of your efforts to address the difficult issue of Opioid abuse and the development of legislation to reduce dependency on opioids and encourage healthy outcomes for injured workers and Medicare beneficiaries. UWC is an association broadly representing business in policy impacting unemployment compensation and workers' compensation.

We recommend that the committee take note of the states that have adopted measures with respect to workers' compensation that have effectively reduced opioid based prescriptions and reduced the number of individuals who have become addicted to these drugs. Of particular note are measures adopted in Texas.

Texas

The Texas workers' compensation system has helped pave the way to addressing opioid overuse among injured employees through a number of initiatives such as evidence-based treatment guidelines, the closed formulary and system monitoring.

Formulary

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 and excludes drugs listed as "N" drugs (or "not recommended" drugs). Under this formulary, 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.

Use of Opioids

The closed formulary has had a tremendous impact on the use of opioids in the Texas workers' compensation system. As a result, 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. The closed formulary has also impacted opioid dosage levels for injured employees, which reduces the potential for overdoses and possible deaths. 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. 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.

Coordination between CMS and Workers' Compensation

We further recommend that the committee consider measures to assure consistency in treatment of individuals whose treatment plans and drug formularies were developed under the applicable workers' compensation law. A significant number of Medicare beneficiaries began opioid treatment as the result of injuries or illnesses that arose in the course of employment. Individuals who are receiving dosages under treatment plans approved under the Workers' Compensation laws or plans should not have such plans interrupted simply because they become Medicare beneficiaries. The Centers for Medicare and Medicaid Services should also recognize workers' compensation treatment plans and prescription formularies in determining amounts to be set-aside in workers' compensation settlements to cover future medical costs related to the injury or illness.

HR 2649 introduced in the 114th Congress by Representatives Dave Reichert and Mike Thompson provided measures to assure that treatment plans developed under the applicable workers' compensation law would be recognized by the Centers for Medicare and Medicaid Services. We support this approach and would be pleased to provide additional information, including case studies, to demonstrate the need for coordination between CMS and workers' compensation.

Thank you for the opportunity to submit these comments.

Sincerely,

Douglas J. Holmes

President

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