

# Managed Care Matters

Joseph Paduda's weblog on managed care for group health, workers compensation & auto insurance, covering health care cost containment, health policy, health research, and medical news for insurers, employers, and healthcare providers.

**January 29, 2014**

## How Texas Mutual is successfully addressing opioids

Posted by Joe Paduda on January 29, 2014 | [Link to this post](#)

A few states – very few – are getting some measure of **control over the overuse of opioids in workers' comp**. I've been speaking to folks in these states, and will report on those conversations, what is working, what isn't, and what we can learn.

We'll start with Texas, where Kim Haugaard of [Texas Mutual](#) has been working closely with TM's Medical Director Nick Tsourmas MD – and pretty much everyone else at TM and in the provider community on this issue for years. Notably, Texas has the advantage of a strong regulatory environment with clinical guidelines and strong UR rules. While this combination makes it somewhat easier to address opioid overuse, the regs are only good if they are fully embraced. That, Texas Mutual has done.

Here's part of our conversation.

MCM – What was a key factor motivating TM to address opioids and drugs?

Kim – We are **meeting with our actuaries constantly**, monitoring the trend lines, average paid per claim and other data points. We separate out claims with and without opioids. [From those analyses, we learned] The longer claims were open, the higher the chance there were drugs

involved, and drugs were the driving cost factor. Once you address the drugs, you reduce length of disability.

MCM – What are the results of your efforts to date?

Kim – We have had a lot of success addressing opioids and all drug overuse, probably more than any other company. Our drug costs have seen a steep drop since Q1 2010.

**Overall opioid usage is down by over 40%.** I can tell you that of the 1,249 claims no longer receiving “N Drugs”, 46% of those injured workers are receiving no drugs whatsoever. The other ones have moved away from the N-status drugs to Y-status drugs.

You may remember at AASCIF, Dr. Tsourmas presented the findings on a program that I implemented several years ago. For the top 400 most costly Rx claims, the average Rx cost per claim per year was \$14,700. After our program – outreach for doctor-to-doctor, average cost per claim was \$3300, average savings of \$11,400 per claim.

MCM – What’s the key to your success?

Kim – You **have to attack the drug issue from all angles**, this is a team effort, involving prescribing doctors, and various carrier stakeholders, including, front-line staff, actuary, medical operations staff, medical director, legal, and the PBM.

MCM – You noted this is a team effort – who else is on your “team”?

Kim – We are working very closely with the Texas Medical Society and Pain Society, we’ve spoken at their conferences and met with physicians and physician leaders individually. Some physicians we had issues with are now collaborating closely to address the opioid issue.

On drug testing, we are working with Millennium Labs on developing a “best practices” program, setting up testing protocols based on patient risk scores.

MCM – How do you focus your efforts?

Kim – In everything we do, **we focus on outliers** – reward the high performers and analyze and address the low performers.

**What does this mean for you?**

**Yes, you can dramatically impact opioid overuse.**

**While strong regulations are a big help, a) you have to use them effectively, and b) much of what Texas Mutual has done can be done anywhere – perhaps with a bit less success, but success nonetheless.**

This entry was posted in Pharmacy, PBMs, and Pharma costs, Workers Comp by Joe Paduda. Bookmark the permalink [<http://www.joepaduda.com/2014/01/how-texas-mutual-successfully-addressing-opioids/>] .

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6 THOUGHTS ON "HOW TEXAS MUTUAL IS SUCCESSFULLY ADDRESSING OPIOIDS"



Steve Cattolica

on [January 29, 2014 at 1:39 PM](#) said:

Joe, is it really only about the money? No questions, discussion or focus in the (published) interview regarding the health of the patient improving? I suggest that if the health of the patient is discussed as taking center stage, the money discussion can follow. Just a thought.



Joe Paduda

on [January 29, 2014 at 2:37 PM](#) said:

Steve – as someone who has followed this blog for years you are well aware it is not about the money. It is about appropriate care, and the overuse of opioids as well as the widespread use of opioids for conditions that do not merit their use are the problem. Doctors prescribe and in many cases dispense these drugs. They are culpable as are workers' comp entities that allow this to go on – or in many states, are forced into being unwilling supporters.

I'd suggest that if the docs practiced appropriate medicine, and did not hand out oxys like candy, we would be much better off. Just a thought.



Kim Haugaard

on [January 29, 2014 at 2:58 PM](#) said:

Steve, thank you for your comment. Injured worker safety is of paramount importance to our program at Texas Mutual. In 2008 when we first started tackling the opioid program, we did so from a cost containment perspective; however, it very quickly evolved into an injured worker safety issue as the primary motivator, and the cost issue became a secondary benefit derived from the program. The death of an injured worker due to overdose of opioids quickly puts into order those things that are most important. Injured workers' life and family wellbeing are at stake; protecting lives, preventing injuries, and minimizing the consequences of injures is at the core of our mission.



Amol

on **January 29, 2014 at 10:00 PM** said:

We've had similar results on Ontario where our costs for opioids has declined by about 30% over the last 24-36 months. More importantly then high dose opioids (over 750mg MED) has almost become non existent. The success is indeed due to multiple factors including policy, closer management and physician engagement. I can tell you first hand that often physicians need a scapegoat to avoid prescribing (this may differ for the dispensers) and physicians have welcomed our harder stance to avoid handing these out to patients. Given that Canada has similar opioid prescription patterns to the US this has been a significant achievement. Finally, this issue does have to be framed as a health quality issue. As far as we are concerned a lot of dollars could be trimmed elsewhere but there impact is limited to simply cost-savings rather than quality of life improvement.



Joan Hatton

on **January 31, 2014 at 2:48 PM** said:

Dr. Tsourmas is a unique medical director in that he will make personal calls to health care providers in Texas and discuss these matters. Texas Mutual also has been pro active in informing WC providers, patients and clients about which medications they will pay for and acceptable alternatives.



Phil Young

 on **February 5, 2014 at 3:15 PM** said:

What is the explanation for the decrease in the use of Opioids with the Worker's Compensation clientele? I think that the answer lies that many physicians are becoming increasingly aware that this is not necessarily the first line drugs of choice any longer. Fewer Physicians appear to be less willing to prescribe any addictive prescriptions with their patients. Many are looking for those with no addictive properties.

Having attended many American Society of Addiction Medicine conferences there was an increased presence of attendees that had nothing to do with treating addictions, but Docs and other healthcare professionals willing to open their minds to learning more about addictions. Many Medical programs put a greater emphasis on educating doctors and nurses in this area now than was true even ten years ago.

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