



Medical Data Report

Opioid Utilization Supplement

For the state of:

MONTANA

September 2017



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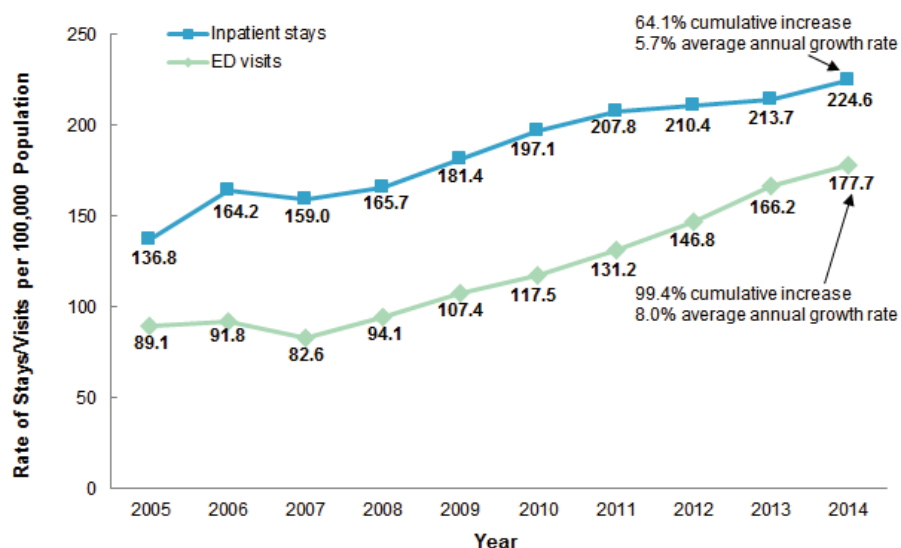
Introduction

Prescription opioids are a class of drugs used to treat moderate to severe pain, particularly chronic intractable pain. According to the [Centers for Disease Control and Prevention \(CDC\)](https://www.cdc.gov/drugoverdose/index.html)¹, “Opioids (including prescription opioids and heroin) killed more than 33,000 people in 2015, more than any year on record. Nearly half of all opioid overdose deaths involve a prescription opioid.”

The opioid epidemic in the United States has a far-reaching impact on the workers compensation system. Results from the 2015 National Survey on Drug Use and Health² reveal that of the 20.8 million people aged 12 or older who had a past year substance use disorder in 2015, 1.9 million adults had misused prescription pain relievers.

The use of opioids can have unintended consequences that severely impact the injured worker, the employer and the workers compensation system at large. One measure of the severity of increased use of opioids over time is the number of opioid-related emergency department visits (ED visits) or hospital inpatient stays. The chart below from the Healthcare Cost and Utilization Project (H-CUP)³ illustrates the significant growth in opioid-related hospital visits during the last decade.

National rate of opioid-related inpatient stays and emergency department visits



In response to the opioid crisis, several states have established laws and regulations to address opioid prescribing patterns for the population at large as well as in workers compensation. This Opioid Utilization Supplement is a data source for regulators and others who are interested in monitoring opioid utilization in workers compensation. The information in this report provides important benchmarks and gives valuable insight into the opioid prescribing patterns that threaten not only the lives of injured workers, but also the financial soundness of the workers compensation system.

¹ <https://www.cdc.gov/drugoverdose/index.html>

² Center for Behavioral Health Statistics and Quality. (2016). *Key substance use and mental health indicators in the United States: Results from the 2015 National Survey on Drug Use and Health* (HHS Publication No. SMA 164984, NSDUH Series H51). Retrieved from <http://www.samhsa.gov/data/>

³ Healthcare Cost and Utilization Project. (2017) *Opioid Related Inpatient Stays and Emergency Department Visits by State, 2009-2014*, Statistical Brief #219. Retrieved from <https://www.hcup-us.ahrq.gov/>



Each calendar year, NCCI produces, publishes, and delivers the Medical Data Report to regulators, which is also made available to authenticated users on ncci.com. This publication is a supplement to the Medical Data Report and is intended to serve as a data resource for regulators and others who are interested in the prescription drug component of medical costs in workers compensation claims. Specifically, this report focuses on opioid prescriptions costs and utilization rates at the aggregate level for state, region, and countrywide analysis. It is delivered to regulators along with the Medical Data Report and is available on ncci.com.

This report has five (5) sections:

- Prescription Drug Statistics
- Opioid Claim Statistics
- Concurrent Usage of Opioids and Benzodiazepines
- Changes in Opioid Prescribing Patterns
- Opioids and the Morphine Milligram Equivalents

The report drills down on these sections to provide details on payments and prescribing patterns.

One important caveat: Information in this report may not coincide with an analysis of a legislative provision or rule change performed in the future. Such an analysis would require evaluation of the specific drugs covered by the rule, which may be different from the way that payments or prescriptions for the drugs are categorized in this report.



Table of Contents

Prescription Drug Statistics	5
Drug Share of Medical Payments	5
Opioid Distribution of Prescriptions and Payments	6
Distribution of Opioids by Drug Schedule.....	7
Top 10 Workers Compensation Opioid Drugs by Amount Paid for Montana.....	8
Top 10 Workers Compensation Opioid Drugs by Amount Paid for Countrywide	8
Top 10 Workers Compensation Opioid Drugs by Prescription Counts for Montana	9
Top 10 Workers Compensation Opioid Drugs by Prescription Counts for Countrywide.....	9
Opioid Claim Statistics.....	10
Rx Claim Distributions.....	10
Average Number of Prescriptions per Opioid Claim	11
Average Payment for Prescription Drugs per Opioid Claim	12
Opioid Claim Distribution by Claim Maturity	13
Concurrent Usage of Opioids and Benzodiazepines	14
Average Number of Prescriptions by Claim Type.....	14
Top 5 Workers Compensation Benzos by Amount Paid for Montana.....	15
Changes in Opioid Prescribing Patterns.....	16
Share of Drug Claims With At Least One Opioid Prescription	16
Average Number of Opioid Prescriptions per Opioid Claim.....	17
Total Number of Opioid Prescriptions (in '000s) by Opioid Claim Maturity for Montana.....	18
Average Opioid Payment per Opioid Claim by Service Year	19
Average Payment per Opioid Prescription by Service Year	20
Opioids and the Morphine Milligram Equivalents.....	21
Average Yearly MME per Opioid Claim for Montana	21
Distribution of MME by Claim Decile for Montana	22
Average Yearly MME Prescribed per Opioid Claim for Montana.....	23
Glossary	24
Appendix.....	25



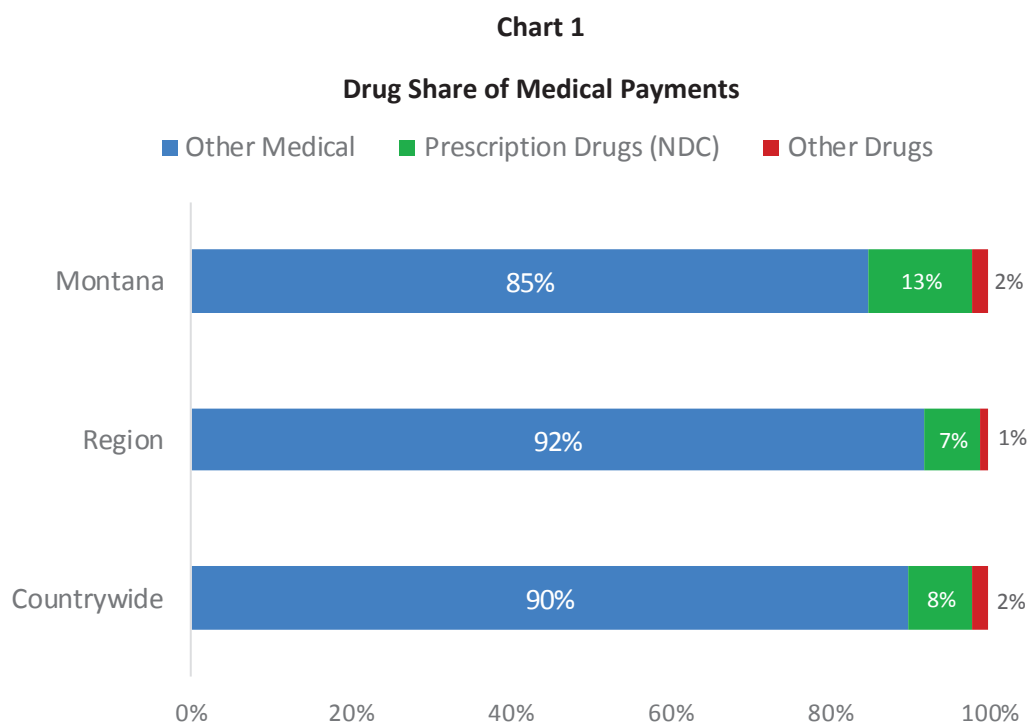
Prescription Drug Statistics

According to NCCI's study, "Workers Compensation and Prescription Drugs: 2016 Update" (*Annual Issues Symposium*, May 2016), the narcotics Oxycontin® and Oxycodone-Acetaminophen (commonly known as Percocet®) were among the most widely prescribed drugs in workers compensation for Service Year (SY) 2014.

Drugs are uniquely identified by a national drug code (NDC). Charts 1 through 3 provide greater detail on payments for prescription drugs reported with an NDC, whether the drugs were provided in a pharmacy, physician's office, hospital, or other place of service. Payments are categorized as drugs if the code reported on the transaction is an NDC. Payments for drugs can also be reported using codes other than NDCs, such as revenue codes, Healthcare Common Procedure Coding System (HCPCS) codes, and other state-specific procedure codes. These are referred to as "Other Drugs" in Chart 1.

For Service Year (SY) 2016, Montana spent \$11 million on 78,000 prescriptions for workers compensation claims.

Chart 1 displays the prescription drug shares of medical payments for Montana, the region, and countrywide.



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

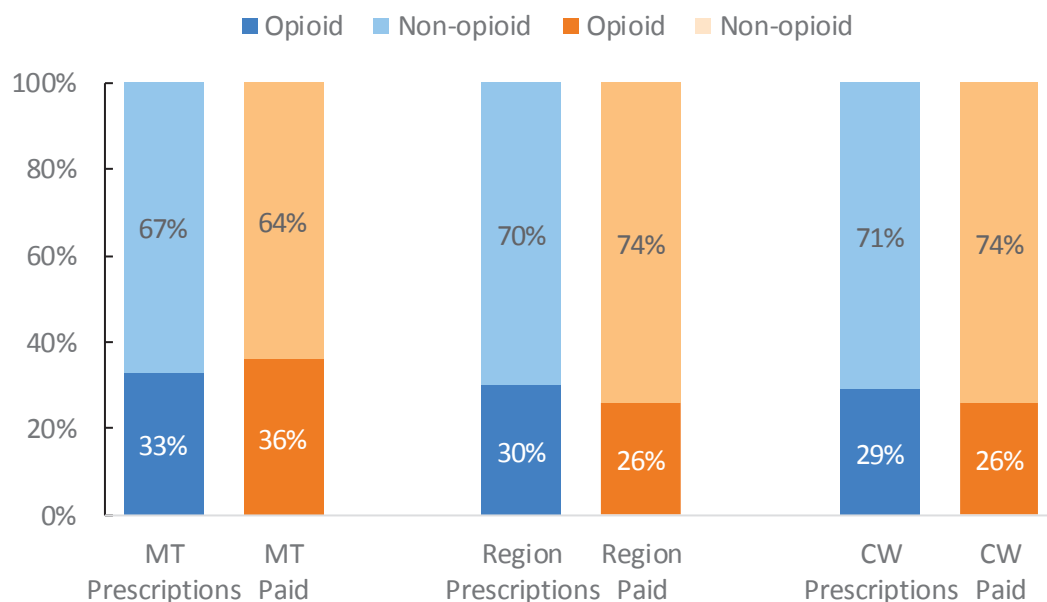
The results in the charts that follow are based only on payments reported with an NDC.

In 2016, Montana spent \$4 million on 26,000 opioid prescriptions; 5 of the top 10 drugs by amount paid are opioids and account for 24% of drug payments.

Chart 2 shows the proportion of drug payments and prescription counts for opioids in Montana, the region, and countrywide.

Chart 2

Opioid Distribution of Prescriptions and Payments



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

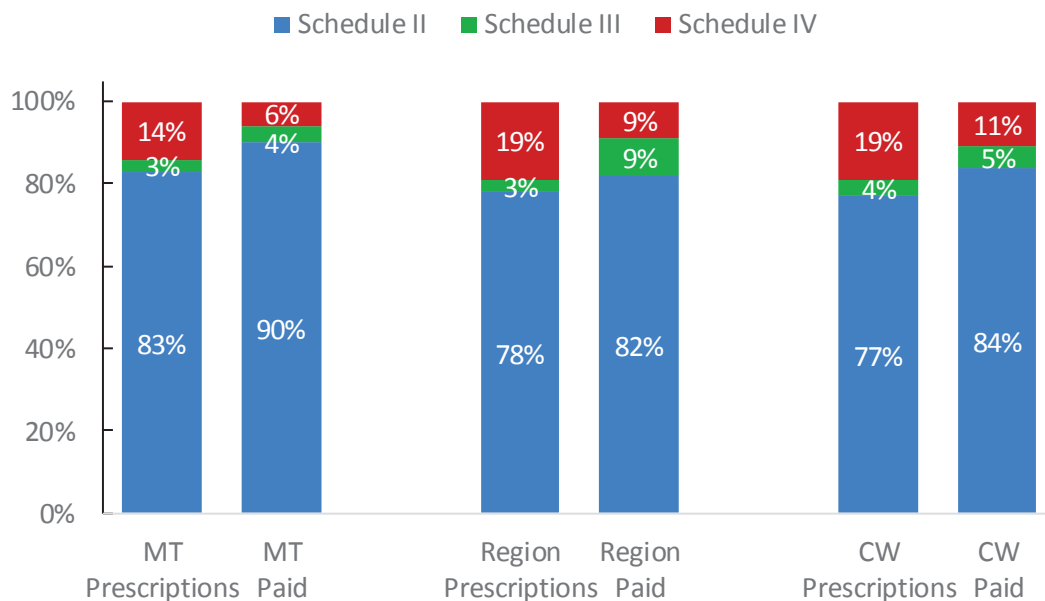
Opioids are drugs subject to the Controlled Substance Act (CSA), passed in 1970 to regulate the manufacture, distribution, possession, and use of certain drugs. There are five controlled substance schedules, or groups, determined by varying qualifications, such as the drug's medical uses, if any, and its potential for abuse. For example, Schedule V drugs have the lowest potential for abuse, while Schedule I drugs are illegal as they are deemed to have no known medical uses.

According to the Diversion Control Division of the Drug Enforcement Administration⁴, schedule drug prescribing must adhere to certain rules. A prescription for a schedule drug must be written in ink or indelible pencil or typewritten and must be manually signed by the practitioner or their designee. A schedule II prescription must be signed by the practitioner. While prescriptions for schedules III and IV controlled substances may be refilled up to five times in six months, a schedule II prescription may not be refilled. A new prescription must be issued each time.

Opioids are largely Schedule II and Schedule III drugs. Chart 3 shows the percentage of opioid payments and opioid prescriptions by schedule for Montana, the region, and countrywide.

Chart 3

Distribution of Opioids by Drug Schedule



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

⁴ <https://www.deadiversion.usdoj.gov/faq/prescriptions.htm#rx-2>

Charts 4 and 5 provide greater detail on payments for opioid prescription drugs.

Chart 4 displays the shares of the payments of prescription medication for the top 10 workers compensation opioid drugs and whether the drugs are generic (G) or brand name (B). This method of ranking shows which drugs have the highest percentage share of payments. Also included is the amount paid per unit (PPU).

Chart 4

Top 10 Workers Compensation Opioid Drugs by Amount Paid for Montana

Name of Opioid Drug	Type B/G	% of Drug Payments	PPU Montana	PPU Region	PPU Countrywide
Oxycontin®	B	12.4%	\$8.69	\$7.28	\$8.43
Oxycodone HCl	G	4.2%	\$1.15	\$0.94	\$1.27
Morphine Sulfate	G	2.8%	\$1.76	\$2.44	\$2.24
Hydrocodone Bitartrate-Acetaminophen	G	2.7%	\$0.47	\$0.63	\$0.58
Oxycodone HCl-Acetaminophen	G	2.2%	\$1.47	\$1.67	\$1.76
Tramadol HCl	G	1.4%	\$0.56	\$0.78	\$1.16
Opana ER®	B	0.8%	\$9.69	\$9.28	\$10.31
Fentanyl Transdermal System	G	0.8%	\$19.67	\$19.94	\$21.89
Nucynta ER®	B	0.8%	\$10.94	\$11.48	\$11.65
Butrans®	B	0.8%	\$123.04	\$112.82	\$111.33

Top 10 Workers Compensation Opioid Drugs by Amount Paid for Countrywide

Name of Opioid Drug	Type B/G	% of Drug Payments	PPU Montana	PPU Region	PPU Countrywide
Oxycontin®	B	4.4%	\$8.69	\$7.28	\$8.43
Oxycodone HCl-Acetaminophen	G	3.7%	\$1.47	\$1.67	\$1.76
Tramadol HCl	G	2.7%	\$0.56	\$0.78	\$1.16
Hydrocodone Bitartrate-Acetaminophen	G	2.5%	\$0.47	\$0.63	\$0.58
Oxycodone HCl	G	2.2%	\$1.15	\$0.94	\$1.27
Morphine Sulfate	G	1.2%	\$1.76	\$2.44	\$2.24
Nucynta®	B	1.0%	\$5.63	\$6.20	\$6.07
Percocet®	B	0.9%	\$16.74	\$13.56	\$15.49
Opana ER®	B	0.9%	\$9.69	\$9.28	\$10.31
Nucynta ER®	B	0.8%	\$10.94	\$11.48	\$11.65

Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

Chart 5 displays the top 10 workers compensation opioid drugs according to the number of prescriptions. This chart reveals the most frequently prescribed opioids and the amount paid per unit (PPU).

Chart 5

Top 10 Workers Compensation Opioid Drugs by Prescription Counts for Montana

Name of Opioid Drug	Type B/G	% of Drug Prescriptions	PPU Montana	PPU Region	PPU Countrywide
Hydrocodone Bitartrate-Acetaminophen	G	10.2%	\$0.47	\$0.63	\$0.58
Oxycodone HCl	G	4.7%	\$1.15	\$0.94	\$1.27
Tramadol HCl	G	4.0%	\$0.56	\$0.78	\$1.16
Morphine Sulfate	G	3.1%	\$1.76	\$2.44	\$2.24
Oxycontin®	B	2.9%	\$8.69	\$7.28	\$8.43
Oxycodone HCl-Acetaminophen	G	2.8%	\$1.47	\$1.67	\$1.76
Hydromorphone HCl	G	1.2%	\$0.83	\$1.04	\$1.97
Methadone HCl	G	0.6%	\$0.20	\$0.24	\$0.24
Acetaminophen-Codeine Phosphate	G	0.6%	\$0.39	\$0.55	\$0.47
Fentanyl Transdermal System	G	0.5%	\$19.67	\$19.94	\$21.89

Top 10 Workers Compensation Opioid Drugs by Prescription Counts for Countrywide

Name of Opioid Drug	Type B/G	% of Drug Prescriptions	PPU Montana	PPU Region	PPU Countrywide
Hydrocodone Bitartrate-Acetaminophen	G	9.7%	\$0.47	\$0.63	\$0.58
Tramadol HCl	G	5.1%	\$0.56	\$0.78	\$1.16
Oxycodone HCl-Acetaminophen	G	4.7%	\$1.47	\$1.67	\$1.76
Oxycodone HCl	G	2.8%	\$1.15	\$0.94	\$1.27
Oxycontin®	B	1.2%	\$8.69	\$7.28	\$8.43
Morphine Sulfate	G	1.1%	\$1.76	\$2.44	\$2.24
Acetaminophen-Codeine Phosphate	G	0.6%	\$0.39	\$0.55	\$0.47
Hydromorphone HCl	G	0.4%	\$0.83	\$1.04	\$1.97
Fentanyl Transdermal System	G	0.3%	\$19.67	\$19.94	\$21.89
Methadone HCl	G	0.3%	\$0.20	\$0.24	\$0.24

Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

Opioid Claim Statistics

In addition to providing information on workers compensation claims with opioids, this report also provides information on workers compensation claims with concurrent use of opioids and benzodiazepines (benzos). A benzodiazepine, typically a Schedule IV drug, produces central nervous system (CNS) depression (as do opioids) and is most commonly used to treat insomnia and anxiety. Two examples of widely used benzos are Xanax® and Ativan®.

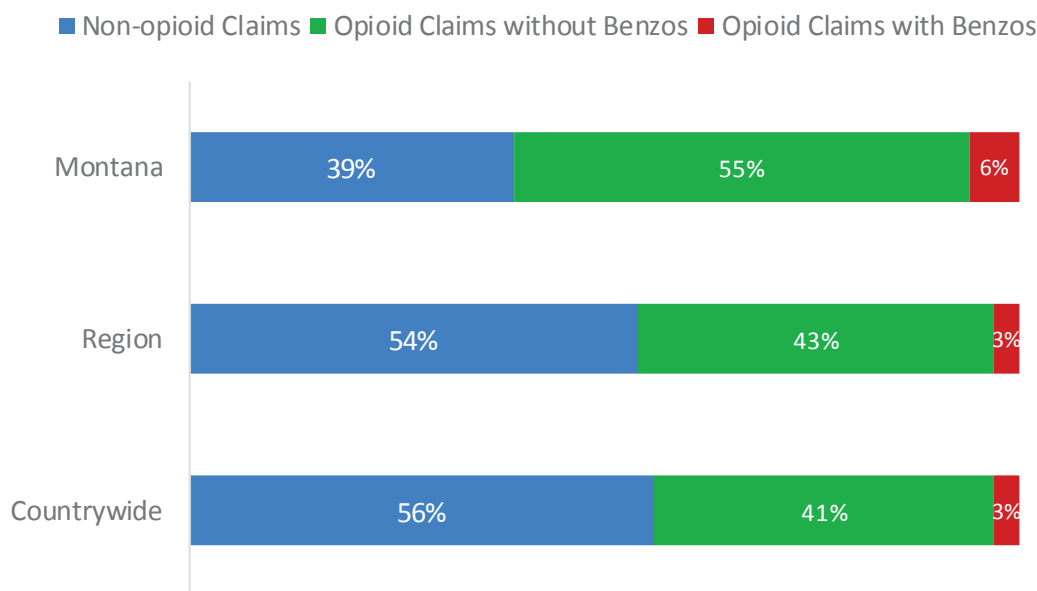
Several types of workers compensation claims are referenced in this report:

- **Rx Claim** – a WC claim that had at least one prescription during the period
- **Opioid claim** – a WC claim that had at least one opioid prescription during the period
- **Non-opioid claim** – a WC claim that had at least one prescription but no opioids during the period
- **Opioid claim with benzos** – a WC claim that had at least one opioid prescription and at least one benzo prescription during the period
- **Opioid claim without benzos** – a WC claim that had at least one opioid prescription and no benzo prescriptions during the period

Chart 6 displays the distribution of Rx claims for Montana, the region, and countrywide.

Chart 6

Rx Claim Distributions



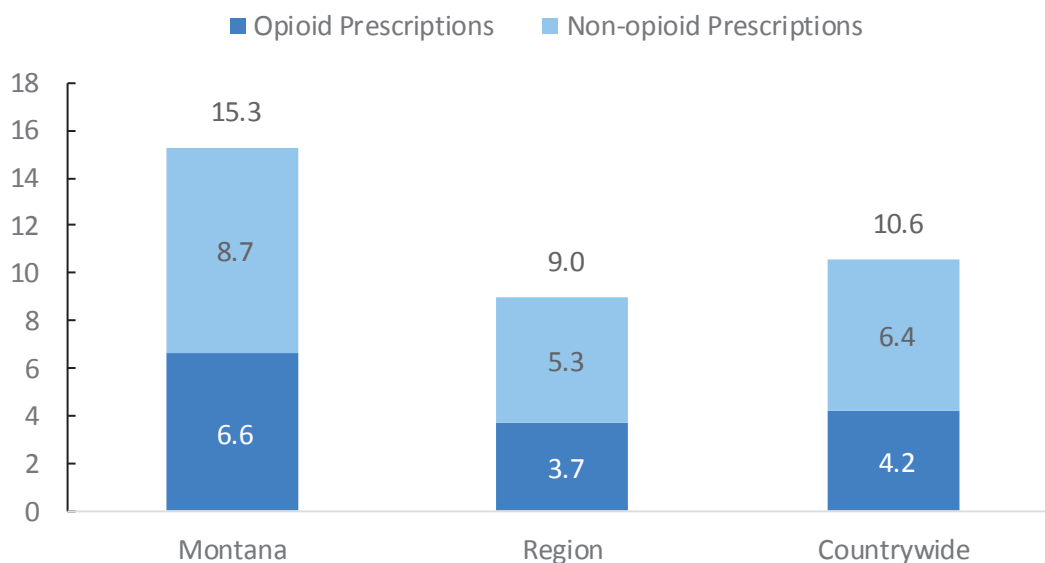
Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

Injured workers who have been prescribed opioids are, on average, prescribed a greater number of prescriptions than those who have not. In Montana, a non-opioid claim has an average number of 6.9 prescriptions compared to 2.9 in the region and 3.1 countrywide.

Chart 7 shows the average number of opioid and non-opioid prescriptions per opioid claim (a claim with at least one opioid prescription) for Montana, the region, and countrywide.

Chart 7

Average Number of Prescriptions per Opioid Claim

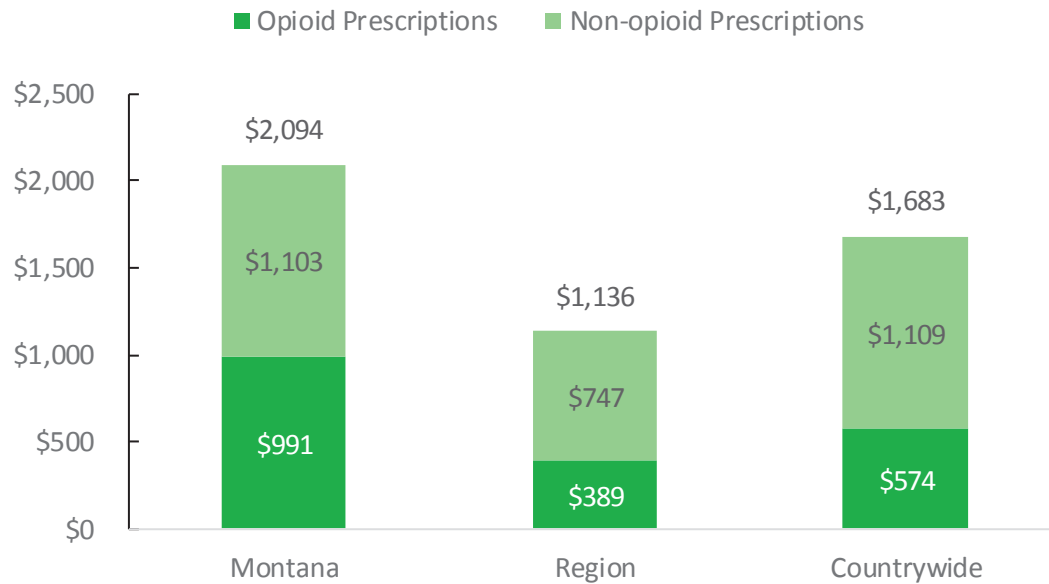


Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

Chart 8 shows the average payment for prescriptions per opioid claim for Montana, the region, and countrywide.

Chart 8

Average Payment for Prescription Drugs per Opioid Claim



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

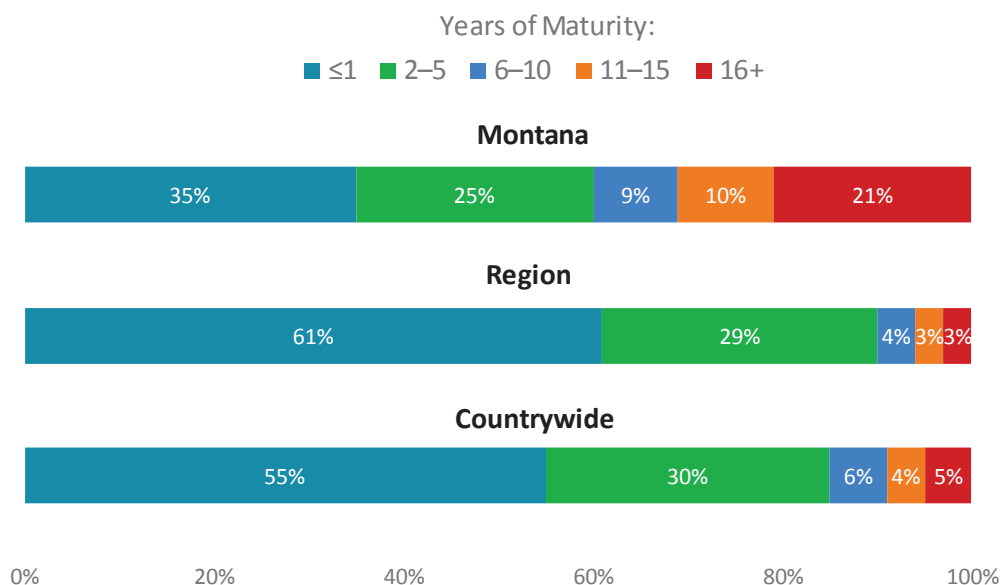


Workers compensation insurance is considered to have a long tail of liability, meaning that injured workers continue to receive medical benefits over a long period of time, sometimes 30 years or more. Observing opioid claims by claim maturity provides insight into the long-lasting usage of opioid prescriptions and their prevalence among injured workers at various stages of their disability.

Chart 9 shows the distribution of opioid claims by claim maturity for Montana, the region, and countrywide, where maturity is measured by the number of years from the date of injury.

Chart 9

Opioid Claim Distribution by Claim Maturity



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

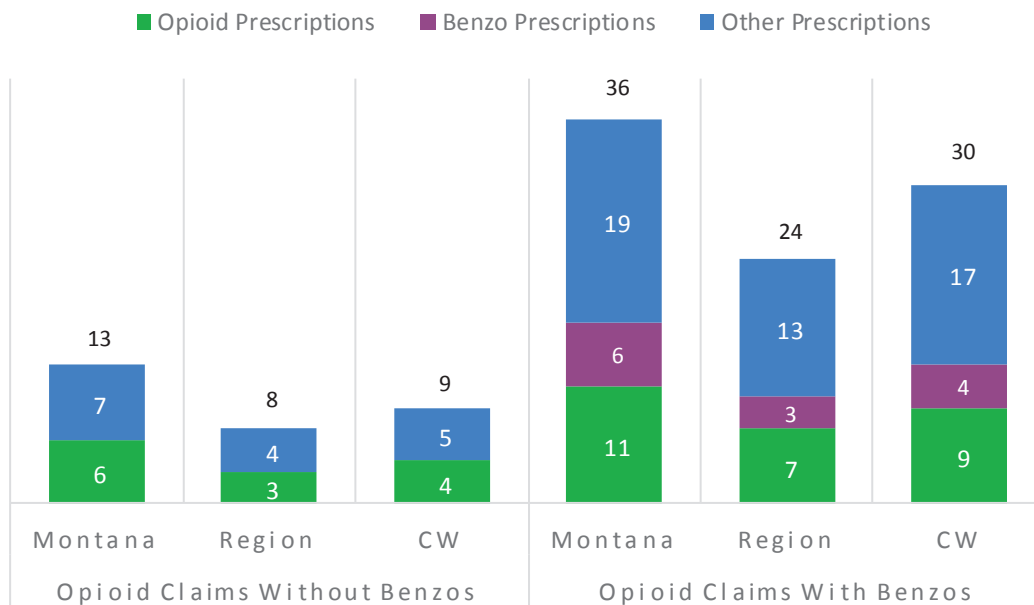
Concurrent Usage of Opioids and Benzodiazepines

According to a study⁵ on opioid abuse published by the British Medical Journal, of “2,400 veterans in the population who died because of a drug overdose while taking opioid painkiller prescriptions, 49 percent had been concurrently prescribed benzodiazepines.” In workers compensation, while the number of injured workers who concurrently are prescribed both an opioid and a benzo is relatively small, the proportion of prescription drugs and their associated costs for those injured workers are considerably high.

Chart 10 displays the average number of opioid, benzo and other prescriptions for opioid claims with and without benzos for Montana, the region, and countrywide.

Chart 10

Average Number of Prescriptions by Claim Type



Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

⁵ "Dangers of Mixing Opiates & Benzos: Vicodin, Xanax, Oxycodone, Valium." American Addiction Centers. N.p., n.d. Web. 16 Nov. 2016.

Chart 11 shows the top 5 benzos concurrently used with opioids for Montana, along with the PPU for Montana, the region, and countrywide.

Chart 11

Top 5 Workers Compensation Benzos by Amount Paid for Montana

Name of Benzo Drug	Type B/G	% of Benzo Payments	PPU Montana	PPU Region	PPU Countrywide
Clonazepam	G	21.0%	\$0.48	\$0.60	\$0.59
Alprazolam	G	11.3%	\$0.63	\$0.74	\$0.76
Valium®	B	9.9%	\$6.33	\$8.37	\$7.16
Lorazepam	G	7.9%	\$0.47	\$0.64	\$0.60
Triazolam	G	7.2%	\$1.83	\$2.07	\$2.29

Source: NCCI Medical Data Call, Service Year 2016. Region includes CO, ID, and UT. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

Changes in Opioid Prescribing Patterns

According to the U.S. Department of Health and Human Services (HHS)⁶, “Our nation is in the midst of an unprecedented opioid epidemic.” One initiative the HHS is using to target this problem is improving prescribing practices. In March 2016, the CDC released its *Guideline for Prescribing Opioids for Chronic Pain*, which provides recommendations for the prescribing of opioid pain medication for patients 18 and older in primary care settings.

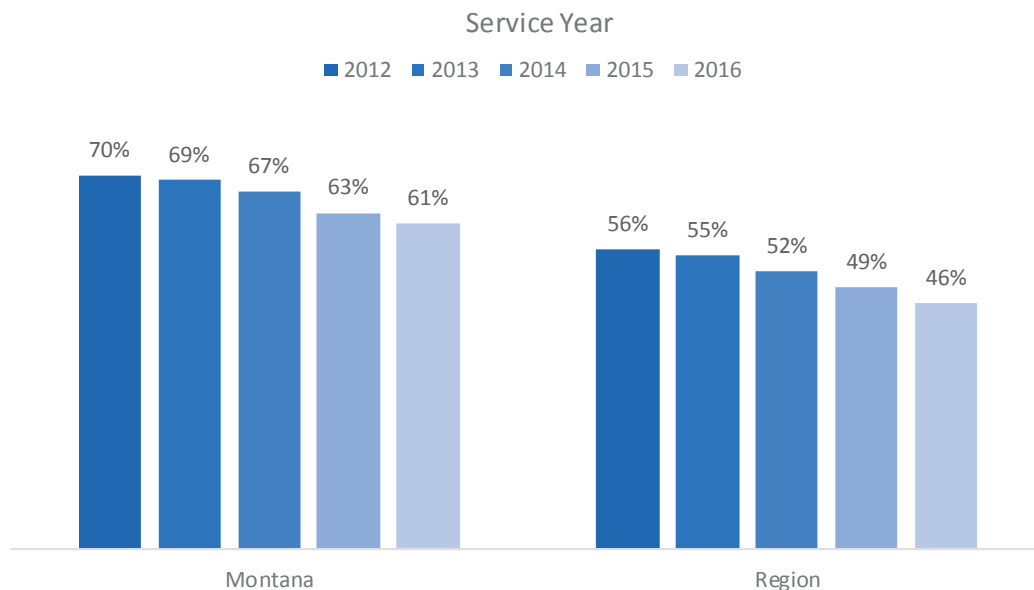
Prescribing patterns for workers compensation claims reflect concerted efforts by the various stakeholders to respond to the opioid crisis, be it through rules employed by regulatory agencies, guidelines for prescribing opioids, or greater attention paid by the prescribing physicians and employers to the injured workers who are being prescribed and are taking the drugs.

The share of Rx claims that are also opioid claims has decreased nationally from 55% in Service Year 2012 to 44% in Service Year 2016.

Chart 12 shows the share of opioid claims over the latest five service years for Montana and the region.

Chart 12

Share of Drug Claims With At Least One Opioid Prescription



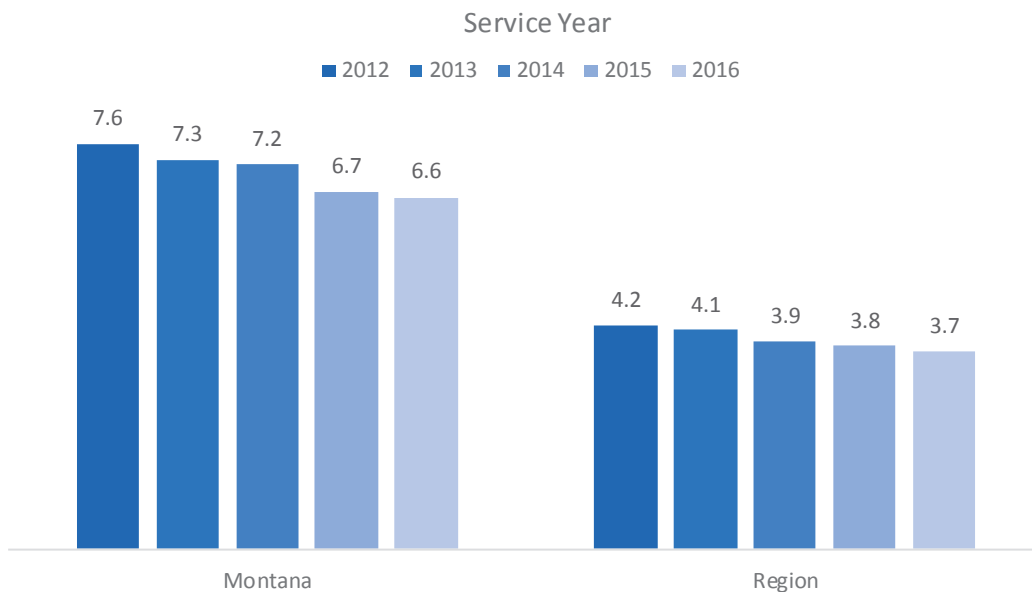
Source: NCCI Medical Data Call. Region includes CO, ID, and UT.

⁶ The Opioid Epidemic: By the Numbers, HHS Factsheet, June 2016

Furthermore, the average number of opioid prescriptions per opioid claim has also declined nationally from 4.6 prescriptions in SY 2012 to 4.2 in SY 2016. Chart 13 reflects the change in the average number of opioid prescriptions per opioid claim over the latest five service years in Montana and the region.

Chart 13

Average Number of Opioid Prescriptions per Opioid Claim



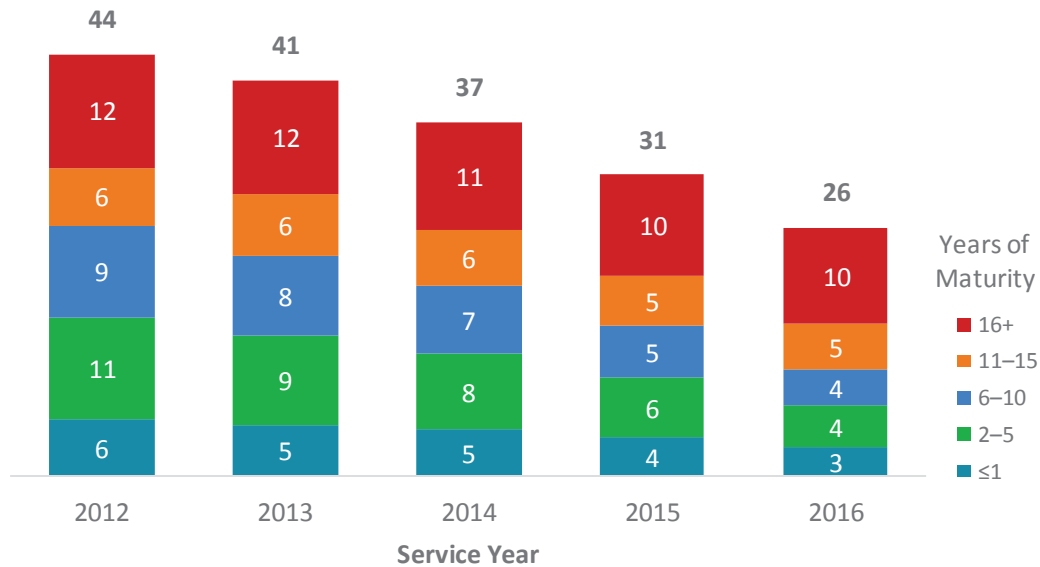
Source: NCCI Medical Data Call. Region includes CO, ID, and UT.

The decrease in the number of opioid prescriptions is most prominent for opioid claims at the earlier years of maturity.

Chart 14 shows the change in the total number of opioid prescriptions by claim maturity for Montana.

Chart 14

Total Number of Opioid Prescriptions (in '000s) by Opioid Claim Maturity for Montana

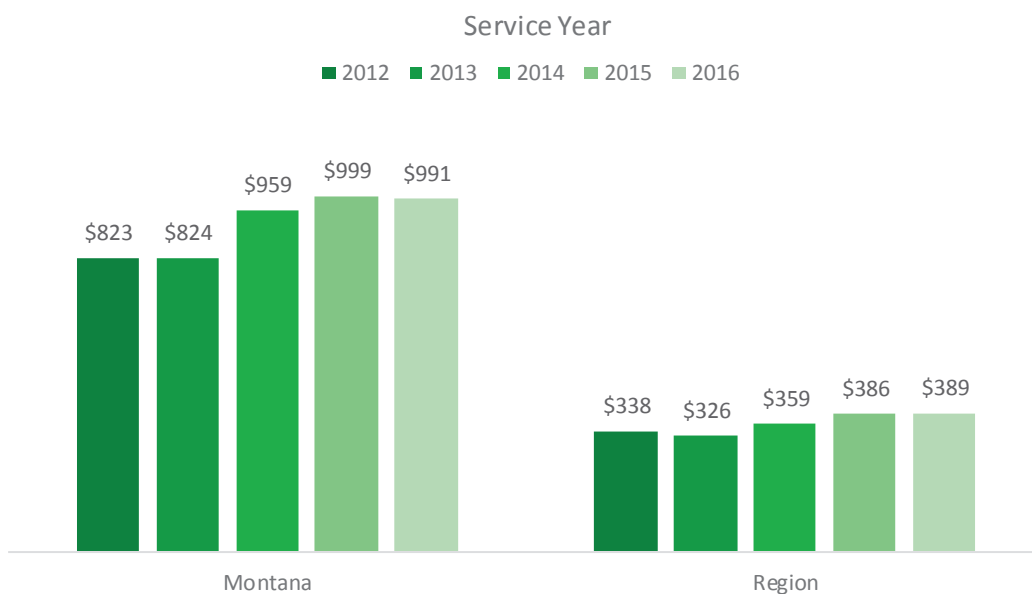


Source: NCCI Medical Data Call

NCCI's study on prescription drugs [Workers Compensation and Prescription Drugs: 2016 Update](#) concluded that in 2014, controlled substance prices increased 16% countrywide. Opioid prices over the latest five years have increased, causing the average countrywide opioid payment per opioid claim to grow from \$460 in SY 2012 to \$574 in SY 2016. Chart 15 displays the change in the average opioid payment per opioid claim over the last five service years for Montana and the region.

Chart 15

Average Opioid Payment per Opioid Claim by Service Year



Source: NCCI Medical Data Call. Region includes CO, ID, and UT.

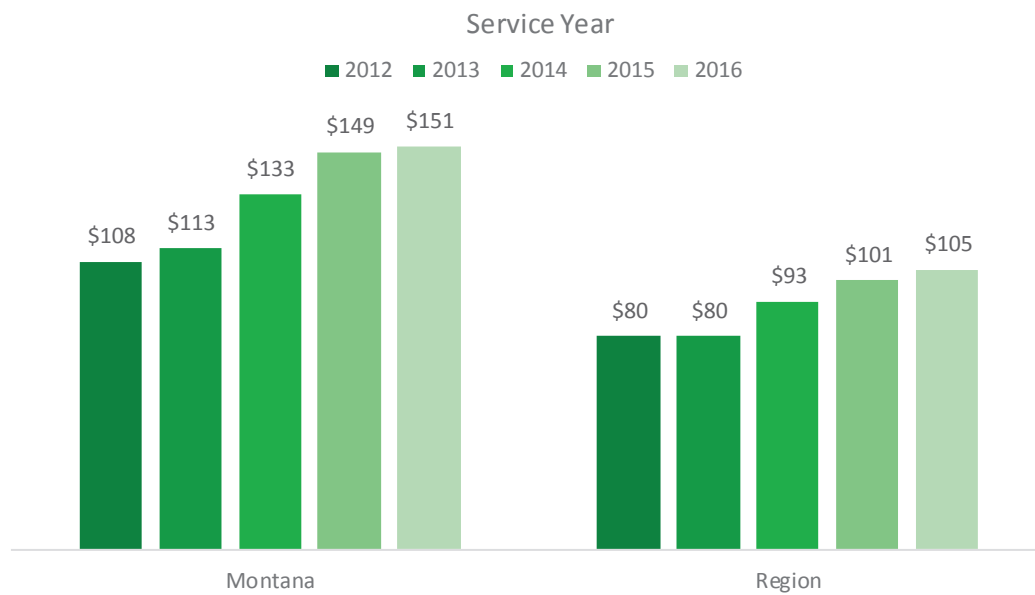


Furthermore, the average opioid payment per opioid prescription reflects the growing price of opioids. In fact, the countrywide average payment for an opioid prescription has increased from \$101 in SY 2012 to \$137 in SY 2016.

Chart 16 displays the change in the average payment per opioid prescription over the last five service years for Montana and the region.

Chart 16

Average Payment per Opioid Prescription by Service Year



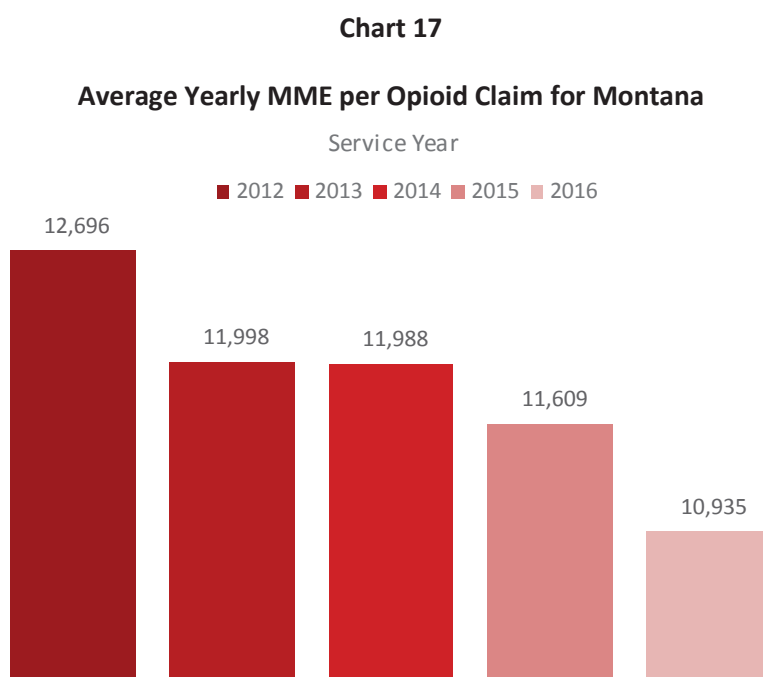
Source: NCCI Medical Data Call. Region includes CO, ID, and UT.

Opioids and the Morphine Milligram Equivalents

Price inflation of prescription drugs is one factor that impacts payments over time. The content of prescriptions and dosages can also impact the payments made. Not all prescriptions are equal, and not all opioids are equal. Consequently, a comparison of prescriptions or opioid payments with a common unit of comparison can add clarity to the observed experience.

The CDC⁷ provides a way to convert daily, or hourly, doses of opioids to an equivalent daily dose of morphine by assigning a conversion factor to each type of drug, thus deriving the Morphine Milligram Equivalents (MME) for any opioid prescription, based on the number of units (pills for example) prescribed and the drug formulation. For example, one milligram per day of Oxycodone for instance is assigned a MME factor of 1.5; one milligram per day of codeine, on the other hand, is assigned a MME factor of 0.15.

Chart 17 displays the average yearly amount of MME prescribed per claimant with at least one opioid prescription for the latest five service years in Montana.



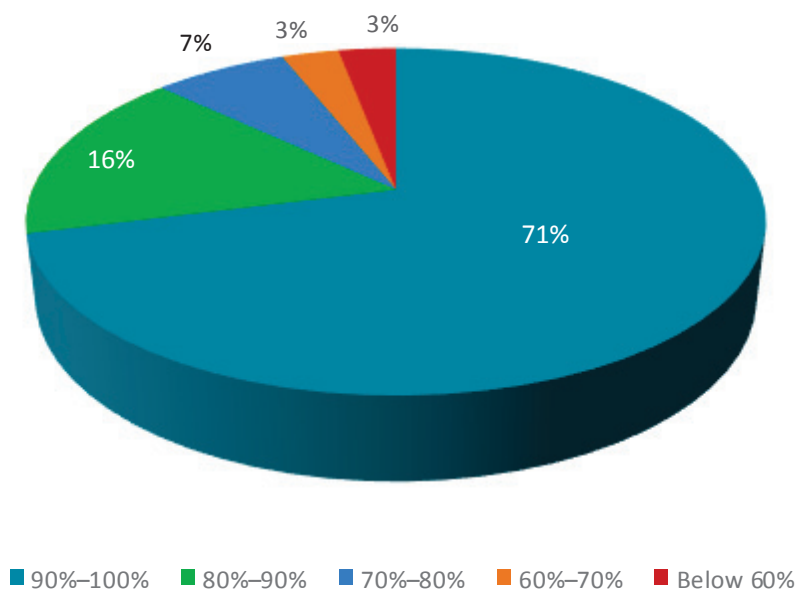
Source: NCCI Medical Data Call.

⁷ https://www.cdc.gov/drugoverdose/pdf/calculating_total_daily_dose-a.pdf

One way to recognize the extensive use of opioids is to classify claims into groups with different levels of opioid utilization. Chart 18 shows the distribution of MME by opioid claim deciles⁸ in Montana. For example, the top 20% of claims in Montana included approximately 87% of the total MME prescribed during Service Year 2016.

Chart 18

Distribution of MME by Claim Decile for Montana



Source: NCCI Medical Data Call, Service Year 2016.

⁸ A decile is one of ten equal groups into which a population is divided according to the distribution of values of a particular variable.

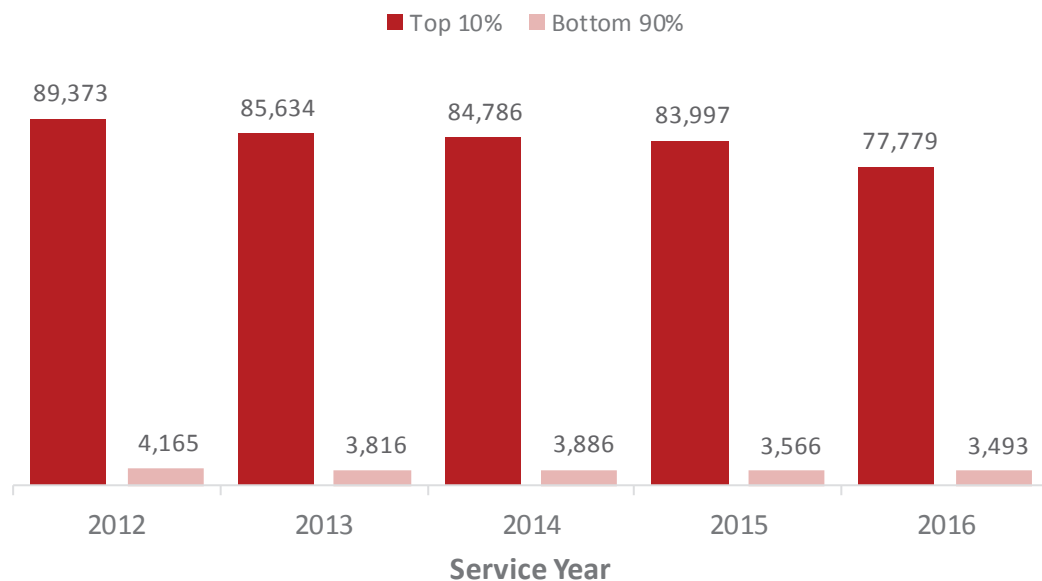
According to the [CDC Guideline for Prescribing Opioids for Chronic Pain](https://www.cdc.gov/drugoverdose/pdf/guidelines_at-a-glance-a.pdf)⁹, clinicians “should avoid increasing dosage to ≥ 90 MME/day or carefully justify a decision to titrate dosage to ≥ 90 MME/day.”

A claimant who consumes 100 MME per day for each day of the year would have a yearly MME consumption of 36,500. In SY 2016, average “heavy users” (top 10% of opioid claimants) were prescribed approximately 213% of the MME of such a claimant in Montana.

Chart 19 shows the average yearly MME consumption per opioid claim for the top 10% of claimants in Montana in comparison to the bottom 90% for the latest five years.

Chart 19

Average Yearly MME Prescribed per Opioid Claim for Montana



Source: NCCI Medical Data Call.

⁹ https://www.cdc.gov/drugoverdose/pdf/guidelines_at-a-glance-a.pdf

Glossary

Benzodiazepines (Benzos): Benzodiazepines are a class of drugs that produce central nervous system (CNS) depression and that are most commonly used to treat insomnia and anxiety.

Controlled Substance: Drugs that are regulated by the Controlled Substance Act (CSA) of 1970. Each controlled substance is contained in one of five schedules based on its medical use(s) and its potential for abuse and addiction.

Current Procedure Terminology (CPT): A numeric coding system maintained by the American Medical Association (AMA). The CPT coding system consists of five-digit codes that are primarily used to identify medical services and procedures performed by physicians and other healthcare professionals.

Drugs: Includes any data reported by a National Drug Code (NDC). Also included are data for revenue codes, the Healthcare Common Procedure Code System (HCPCS), and other state-specific codes that represent drugs.

Healthcare Common Procedure Coding System (HCPCS): Alphanumeric codes that include mostly nonphysician items or services such as medical supplies, ambulatory services, prostheses, etc. These are items and services not covered by Current Procedure Terminology (CPT) procedures.

Medical Data Call: Captures transaction-level detail for medical billings that were processed on or after July 1, 2010. All medical transactions with the jurisdiction state in any applicable Medical Data Call state are reportable. This includes all workers compensation claims, including medical-only claims.

National Drug Code (NDC): A universal product identifier for human drugs in the United States. Each NDC code uniquely identifies a drug product based on by key characteristics such as the labeler (manufacturer/distributor), active ingredients, strength, dosage form, and package form.

Opioids: Prescription opioids are a class of drugs used to treat moderate to severe pain, particularly chronic intractable pain.

Prescription: NCCI defines a "Prescription" to be synonymous with a transaction. Therefore, a refill on a prescribed drug is considered a separate prescription.

(Paid) Procedure Code: A code from the jurisdiction-approved code table that identifies the procedure associated with the reimbursement. Examples include CPT code or revenue code.

Revenue Code: A numeric coding system used in hospital billings that provides broad classifications of the types of services provided. Some examples are emergency room, operating room, recovery room, room and board, and supplies.

Service Year: A loss accounting definition where experience is summarized by the calendar year in which a medical service was provided.

Transaction: A line item of a medical bill.

Units: The number of units of service performed or the quantity of drugs dispensed. For Paid Procedure Codes related to medications, the quantity/units depend on the type of drug:

- For tablets, capsules, suppositories, nonfilled syringes, etc., it represents the actual number of the drug provided. For example, a bottle of 30 pills would have 30 units.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., dispensed in standard packages, the units are specified by the procedure code. For example, a cream is dispensed in a standard tube, which is defined as a single unit.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc. that are not dispensed in standard packages, the number of units is the amount provided in its standard unit of measurement (e.g., milliliters, grams, ounces). For example, codeine cough syrup dispensed by a pharmacist into a four-ounce bottle would be reported as four units.



Appendix

The data contained in this report represents medical transactions for Service Year 2016 (medical services delivered from January 1, 2016, to December 31, 2016). Insurance carriers must report paid medical transactions if they write at least 1% of the market share in any one state for which NCCI is the advisory organization. Once a carrier meets the eligibility criteria, the carrier will be required to report for all applicable states in which it writes, even if an individual state's market share is below the threshold. All carriers within a group are required to report, regardless of whether they write less than 1% of the market share in the state.

The data is reported under the jurisdiction state—the state under whose Workers Compensation Act the claimant's benefits are being paid. Medical transactions must continue to be reported until the transactions no longer occur (i.e., the claim is closed) or 30 years from the accident date. There are nearly 30 data elements reported.

For the state of Montana in Service Year 2016, the reported number of transactions was more than 442,500, with more than \$82,213,300 paid, for more than 21,100 claims, representing data from 98% of the workers compensation premium written, which includes experience for large-deductible policies. Lump-sum settlements are not required to be reported. Also, self-insured data is not included.

Wherever possible, standard industry codes are used because they provide a clear definition of the data, increase efficiency of computer systems, and improve the accuracy and quality of the data.

Carriers differ in their handling of medical data reporting. Some carriers retain all medical claims handling internally and submit the data themselves. Others use business partners for various aspects of medical claim handling, such as third party administrators, medical bill review vendors, etc. It is possible for a carrier to authorize its vendor to report the data on its behalf. Some carriers may use a combination of direct reporting and using vendors. Although data may have been provided by an authorized vendor on behalf of a carrier, the quality, timeliness, and completeness of the data is the responsibility of the carrier.

Before a medical data provider can send files, each submitter's electronic data file must pass certification testing. This ensures that all connections, data files, and systems are functioning and processing correctly. Each medical data provider within a reporting group is required to pass certification testing. If a medical data provider reports data for more than one reporting group, that data must be certified for each group.

For more information about the Medical Data Call, please refer to the ***Medical Data Call Reporting Guidebook*** on **ncci.com**.

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