Workers’ Compensation Research
About WCRI

- Independent, not-for-profit research organization
- Founded in Cambridge MA in 1983
- Diverse membership support
- Studies are peer-reviewed
- Resource for public officials & stakeholders
  - Content-rich website: www.wcrinet.org
  - Over 500 WC studies published
WCRI Approach

▪ Mission
  “Be a catalyst for improving WC systems by providing the public with high-quality, credible information on important public policy issues.”

▪ Studies focus on benefit delivery system

▪ Does not make recommendations nor take positions on issues
Outline:
Illustrations Of Available Information

- How states compare
  - Income benefit payments
  - Worker outcomes
  - Medical costs and care delivered
  - Long-term opioid use
- Physician dispensing of Rx
- Trust in the workplace and worker outcomes
- Provider responses to medical price regulation
Wisconsin Indemnity Payments/Claim
39% Lower Than The Median State

Average Indemnity Payment/Claim

$0 $5,000 $10,000 $15,000 $20,000 $25,000 $30,000 $35,000

Median State: $17,670

$10,847

IN TX WI NJ FL AR MI MN VA MA CA IL IA PA LA GA NC


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### WI Workers Achieve Better Outcomes

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Wisconsin</th>
<th>Median State</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTW: Not Working At Interview (%)</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Median Duration Of Disability (Weeks)</td>
<td>9 weeks</td>
<td>10 weeks</td>
</tr>
<tr>
<td>Access: % Reported “Big Problems” Getting Desired Care</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>Satisfaction: % Reported “Very Dissatisfied” With Care</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Earning A Lot Less At Interview (%)</td>
<td>6%</td>
<td>8%</td>
</tr>
</tbody>
</table>

* Statistically Significant

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Wisconsin Medical Payments Per Claim 40% Higher Than Typical

Average Medical Payment/Claim

- Median: $12,167
- $16,980

2012/13 Claims With > 7 Days Of Lost Time, Adjusted For Injury/Industry Mix; Source: CompScope™ Medical Benchmarks For Wisconsin, 15th Edition (2014).
WI Medical Payments Higher And Have Grown Rapidly

Claims With > 7 Days Of Lost Time At 12 Months Of Experience, Not Adjusted For Injury/Industry Mix And Wages; Source: CompScope™ Medical Benchmarks For Wisconsin, 15th Edition (2014).

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Nonhospital Prices Paid In Wisconsin Were The Highest Of 25 States

Prices Paid For Nonhospital Services Rendered In 2013 (January Through June)
Source: WCRI Medical Price Index For Workers’ Compensation, Sixth Edition (2014)
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## Payments Per Claim In WI For Key Nonhospital Services 26%–265% Higher

<table>
<thead>
<tr>
<th>Payments/Claim For Nonhospital Services</th>
<th>Wisconsin</th>
<th>16-State Median</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pain Mgmt. Injections</td>
<td>$1,853</td>
<td>$508</td>
<td>265%</td>
</tr>
<tr>
<td>Major Surgery</td>
<td>$7,692</td>
<td>$2,595</td>
<td>196%</td>
</tr>
<tr>
<td>Minor Radiology</td>
<td>$421</td>
<td>$171</td>
<td>147%</td>
</tr>
<tr>
<td>Major Radiology</td>
<td>$1,649</td>
<td>$832</td>
<td>98%</td>
</tr>
<tr>
<td>Evaluation And Mgmt.</td>
<td>$1,071</td>
<td>$751</td>
<td>43%</td>
</tr>
<tr>
<td>Physical Medicine</td>
<td>$3,814</td>
<td>$3,029</td>
<td>26%</td>
</tr>
</tbody>
</table>


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Wisconsin WC Paid Much Higher Prices Than Group Health For Knee Arthroscopy

**Graph:**
- *Y-axis:* WC and GH Median Prices Paid, 2009 (CPT 29881)
- *X-axis:* MI, AR, FL, TX, MD, NC, LA, TN, GA, PA, CA, OK, VA, IA, NY, MA, AZ, CT, WI, IN, IL, NJ
- **Median WC Price Paid:**
  - MI: $3,728
  - OK, TN, CT, and IL: $1,573
- **Median GH Price Paid:**
  - MI, OK, TN, CT, and IL implemented a double-digit fee schedule decrease for a common knee arthroscopy (CPT 29881) from 2009 to 2012.

**Note:**
- Group Health Data Include Copays And Deductibles.
- Source: *A New Benchmark For Workers’ Compensation Fee Schedules: Prices Paid By Commercial Insurers? (2013)*
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Wisconsin Average Morphine Equivalent Amount Per Claim Lower Than Typical

Median: 1,861 mg

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WI % Workers Who Were Longer-Term Users Of Opioids Lowest Of Study States

% Of Claims With Opioids Identified As Longer-Term Users Of Opioids

Median: 7%

Nonsurgical Claims With > 7 Days Of Lost Time, Injuries From October 2009 To September 2010, Prescriptions Filled Through March 2012
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Benchmark Metrics

- Income benefits
- Worker outcomes
- Medical costs
- Medical price indices
- Nature of care (e.g., surgery rates, opioid use)
- Litigiousness and litigation costs
- Medical cost containment expenses
- Timely payment to worker
Topical Studies—Examples

- Impact of state reforms
- Physician dispensing
- Medical treatment guidelines/utilization review
- Effect of ACA on WC systems
- Medical price regulation
- Compounding of Rx medications
- Impact of provider choice laws
Outline: Illustrations Of Available Information

▪ How states compare
  ▪ Income benefit payments
  ▪ Worker outcomes
  ▪ Medical costs and care delivered
  ▪ Long-term opioid use

➔ Physician dispensing of Rx

➔ Trust in the workplace and worker outcomes

▪ Provider responses to medical price regulation
18 States Changed Rules Governing Reimbursement For Physician-Dispensed Drugs

Reform States Focusing On Price Reduction Only

Reform States Further Limiting Physician Dispensing To Short Timeframe Or Certain Drugs

States Where Physician Dispensing Not Allowed In General Or Infrequent
The Same Drugs, When Physician-Dispensed, Are Much Higher Priced

<table>
<thead>
<tr>
<th>Common WC Drugs Prescribed By Physicians</th>
<th>Price Per Pill</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physician Rx</td>
<td>Pharmacy Rx</td>
</tr>
<tr>
<td>Hydrocodone-acetaminophen (Vicodin®)</td>
<td>$1.41</td>
<td>$0.52</td>
</tr>
<tr>
<td>Ibuprofen (Motrin®)</td>
<td>$0.49</td>
<td>$0.27</td>
</tr>
<tr>
<td>Tramadol HCL (Ultram®)</td>
<td>$1.55</td>
<td>$0.73</td>
</tr>
<tr>
<td>Cyclobenzaprine HCL (Flexeril®)</td>
<td>$1.85</td>
<td>$0.99</td>
</tr>
<tr>
<td>Meloxicam (Mobic®)</td>
<td>$5.86</td>
<td>$3.19</td>
</tr>
</tbody>
</table>
Does Physician Dispensing Increase Opioid Use?

Underlying data include six months of Rx utilization for FL injuries between Jan.–Jun. 2010 (pre-reform) and Jul.–Dec. 2011 (post-reform); Source: The Impact Of Physician Dispensing On Opioid Use (2014)

* Statistically Significant at the 0.01 level

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Does Physician Dispensing Increase Opioid Use? Likely

% Of Workers With Strong Opioids

<table>
<thead>
<tr>
<th></th>
<th>Pre-Reform</th>
<th>Post-Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician</td>
<td>12.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Dispensed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacy</td>
<td>14.2%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Dispensed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Underlying data include six months of Rx utilization for FL injuries between Jan.–Jun. 2010 (pre-reform) and Jul.–Dec. 2011 (post-reform); Source: The Impact Of Physician Dispensing On Opioid Use (2014)

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Most Received Physician-Dispensed NSAIDs And Weaker Opioids

<table>
<thead>
<tr>
<th></th>
<th>Pre-Reform</th>
<th>Post-Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSAIDs</td>
<td>9.1%</td>
<td>25.8% *</td>
</tr>
<tr>
<td>Weaker Opioids</td>
<td>24.1%</td>
<td>10.1% *</td>
</tr>
<tr>
<td>Strong Opioids</td>
<td>3.9%</td>
<td>0.5% *</td>
</tr>
</tbody>
</table>

* Statistically Significant at the 0.01 level

Underlying data include six months of Rx utilization for FL injuries between Jan.–Jun. 2010 (pre-reform) and Jul.–Dec. 2011 (post-reform); Source: The Impact Of Physician Dispensing On Opioid Use (2014)
Cyclobenzaprine New Strength In California: Rapid Increase, Much Higher Prices

% Of Prescriptions For Cyclobenzaprine HCL By Strength

Calendar Quarters

2011Q1 2011Q2 2011Q3 2011Q4 2012Q1 2012Q2 2012Q3 2012Q4 2013Q1

7.5 Milligrams
Price Per Pill Paid: $2.90–$3.45

5 Milligrams
Price Per Pill Paid: $0.35–$0.59

10 Milligrams
Price Per Pill Paid: $0.49–$0.70

Included Are Prescriptions (Rx) Dispensed By Physicians In California From First Quarter Of 2011 (2011Q1) To First Quarter Of 2013 (2013Q1)

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Frequent Dispensing Of 7.5-Milligram Product At Much Higher Price Drove Up Physician Price

Included Are Prescriptions (Rx) Dispensed By Physicians In California From First Quarter Of 2010 (2010Q1) To First Quarter Of 2013 (2013Q1)
Survey question: When injured, I was afraid of being fired or laid off?

<table>
<thead>
<tr>
<th>Responses</th>
<th>% Of Workers In Survey – WI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>51%</td>
</tr>
<tr>
<td>Somewhat Disagree</td>
<td>12%</td>
</tr>
<tr>
<td>Somewhat Agree</td>
<td>13%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>24%</td>
</tr>
</tbody>
</table>
Those Who Strongly Agreed Were Most Likely To Have Worse Outcomes

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Strongly Or Somewhat Disagreed</th>
<th>Strongly Agreed (Fearful)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTW: Not Working At Interview (%)</td>
<td>10%</td>
<td>21%*</td>
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<td>20%*</td>
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<tr>
<td>Satisfaction: % Reported “Very Dissatisfied” With Care</td>
<td>8%</td>
<td>18%*</td>
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<tr>
<td>Earning A Lot Less At Interview (%)</td>
<td>3%</td>
<td>16%*</td>
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Provider responses to medical price regulation
In Most States, WC Physician Fee Schedule Above Medicare Rates By 30% Or More

Source: Designing Workers’ Compensation Medical Fee Schedules (2012)
Lower Prices Associated With More Frequent Billing Of Complex Office Visits

Correlation Coefficient: -0.6

% Of Established Patient Office Visits Billed As More Complex

Average Price—Common Office Visit

Source: Estimating The Effect Of California’s Fee Schedule Changes: Lessons From WCRI Studies (2014)
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CA: Most Office Visits Were “Intermediate” (CPT 99213)

% Of E&M Services For Established Patients

- Level 1
- Level 2
- Level 3
- Level 4
- Level 5

2004

PrICES

$46

$69

$104

Source: Estimating The Effect Of California’s Fee Schedule Changes: Lessons From WCRI Studies (2014)
CA Prices Frozen For 3 Years—More Office Visits Coded As More Expensive

Source: Estimating The Effect Of California’s Fee Schedule Changes: Lessons From WCRI Studies (2014)
After CA Raised The Fee Schedule, Upcoding Stopped

% Of E&M Services For Established Patients

FS Increase

Prices Paid

Source: Estimating The Effect Of California’s Fee Schedule Changes: Lessons From WCRI Studies (2014)
When The Fee Schedule Was Re-Frozen, Upcoding Resumed

Source: Estimating The Effect Of California’s Fee Schedule Changes: Lessons From WCRI Studies (2014)
2003 FL Reforms Reduced Fee Schedule Rates For Many Hospital Outpatient Services

<table>
<thead>
<tr>
<th>Hospital Outpatient</th>
<th>Pre-Reform</th>
<th>Post-Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Radiology</td>
<td>75% of charges</td>
<td>110% Medicare</td>
</tr>
<tr>
<td>Unscheduled Radiology</td>
<td>75% of charges</td>
<td>75% of charges</td>
</tr>
</tbody>
</table>

Lumbar MRIs Were Paid More Often As Unscheduled With Higher Rates After 2005

% Of Lumbar MRIs Done In Hospital Outpatient Settings

Paid > Nonhospital FS  Paid <= Nonhospital FS


38% 34% 53% 62% 66% 47% 32% 37% 18% 14% 29% 29%

Claims With > 7 Days Of Lost Time At 12 Months Of Experience, Not Adjusted For Injury/Industry Mix
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WCRI Is A Resource For You

For further information:

website www.wcrinet.org

Richard Victor 617.661.9274