



# 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](http://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

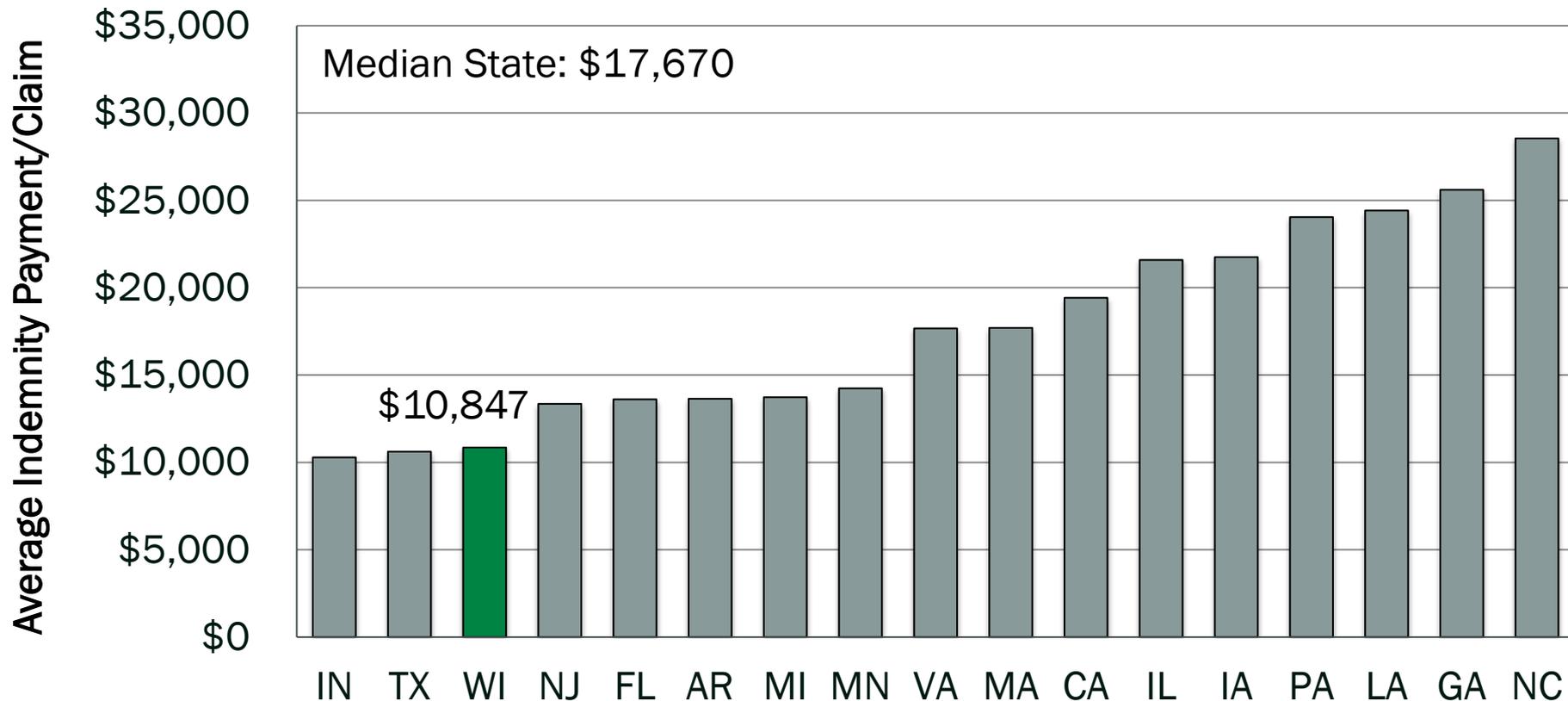
- Does not make recommendations nor take positions on issues

# 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



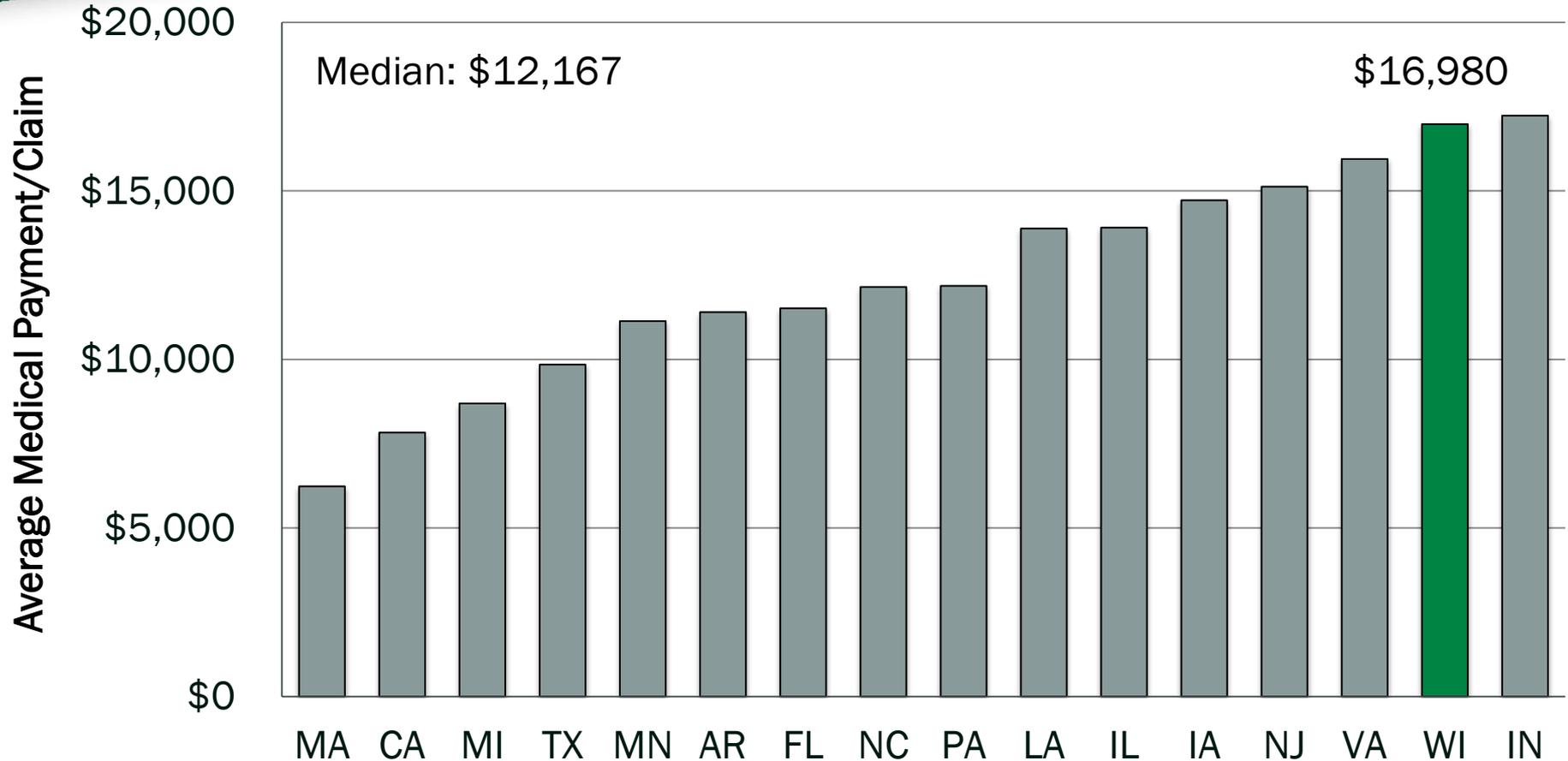
2011/14 Claims With > 7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages; Source: CompScope™ Benchmarks For Wisconsin, 15<sup>th</sup> Edition (2015).

# WI Workers Achieve Better Outcomes

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

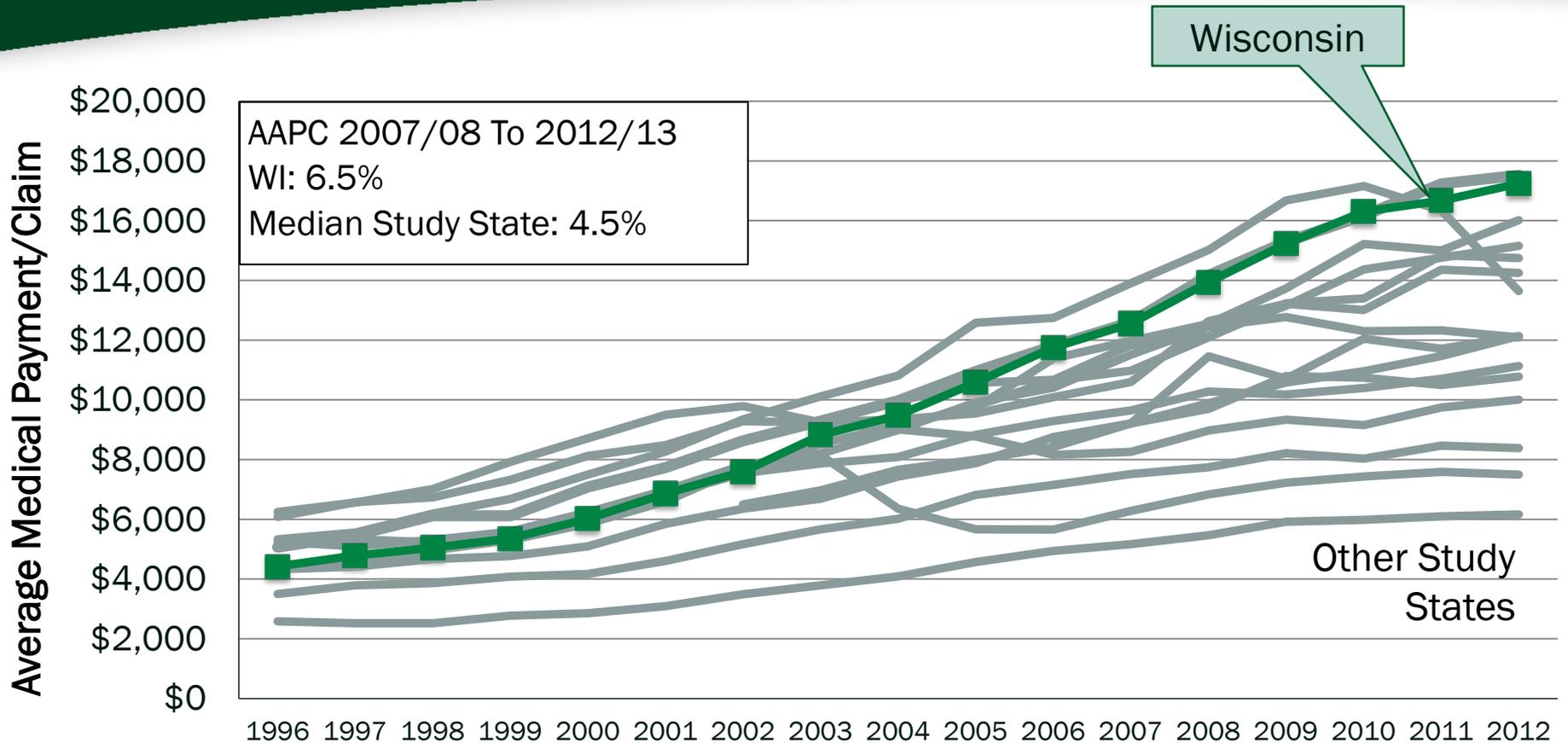
\* Statistically Significant

# Wisconsin Medical Payments Per Claim 40% Higher Than Typical



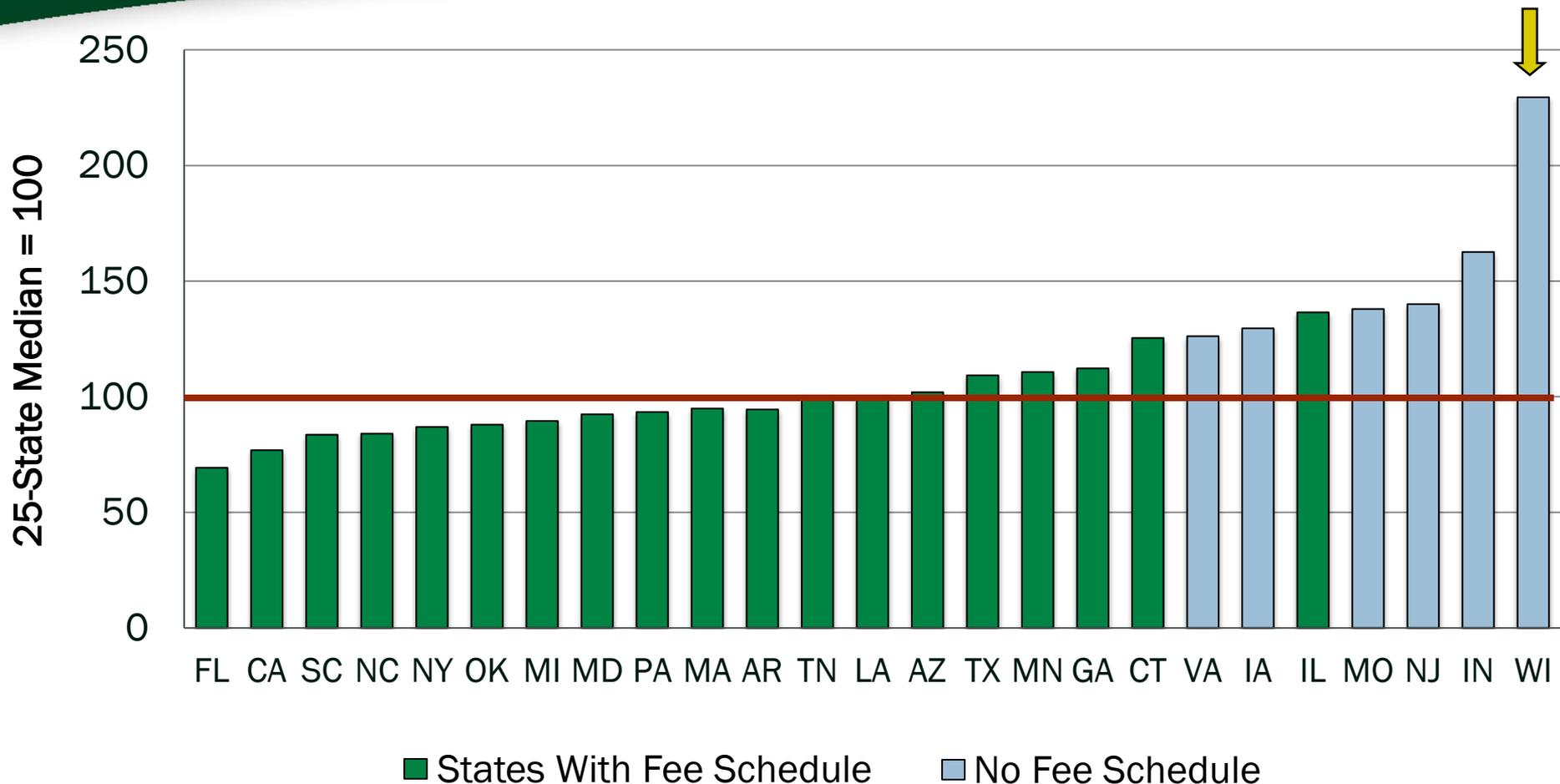
2012/13 Claims With > 7 Days Of Lost Time, Adjusted For Injury/Industry Mix; Source: *CompScope™*  
*Medical Benchmarks For Wisconsin, 15<sup>th</sup> Edition (2014).*

# 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, 15<sup>th</sup> Edition (2014)*.

# Nonhospital Prices Paid In Wisconsin Were The Highest Of 25 States



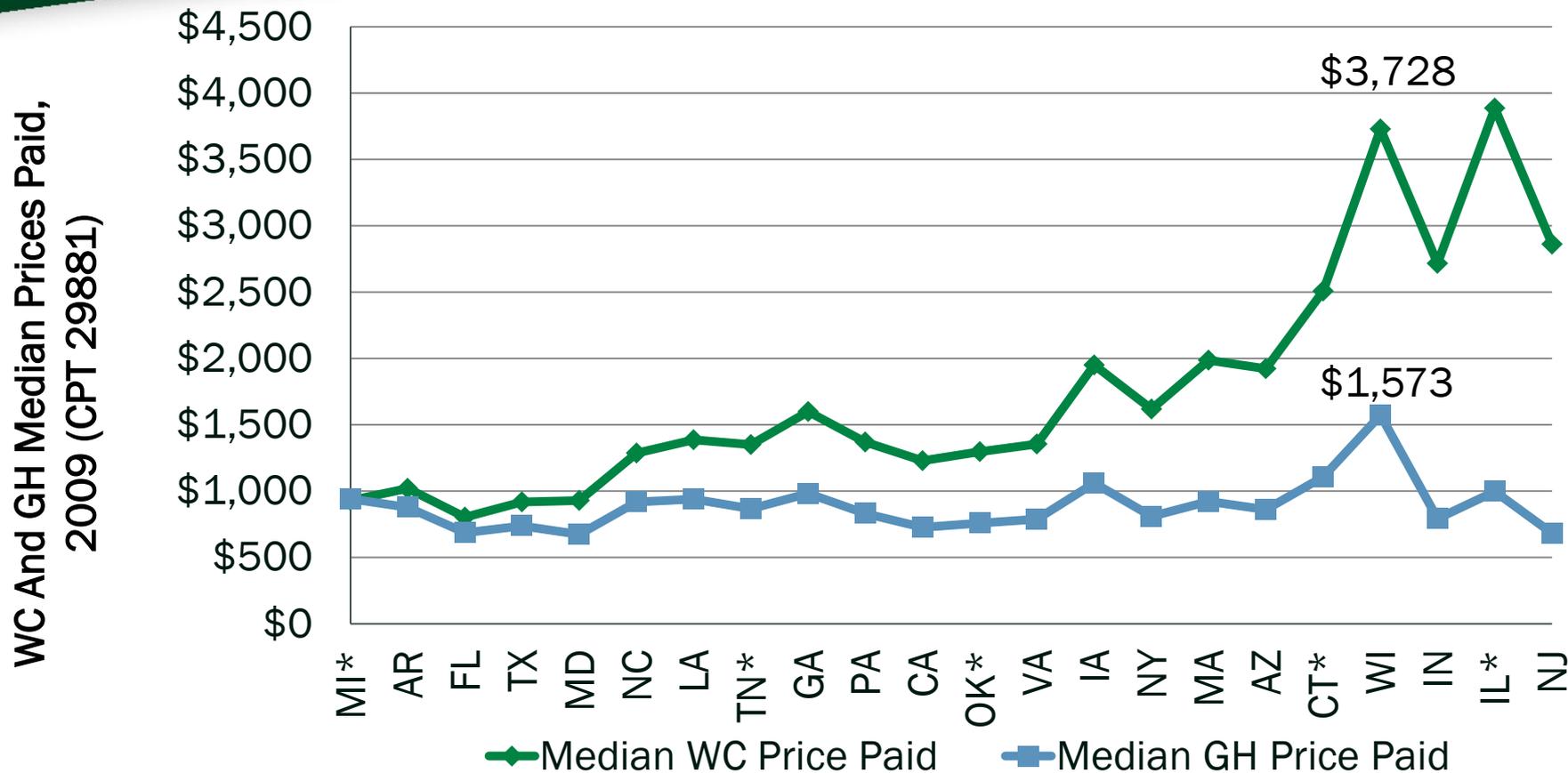
Prices Paid For Nonhospital Services Rendered In 2013 (January Through June)  
Source: WCRI Medical Price Index For Workers' Compensation, Sixth Edition (2014)

# Payments Per Claim In WI For Key Nonhospital Services 26%–265% Higher

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

2012/13 Claims With > 7 Days Of Lost Time, Adjusted For Injury/Industry Mix; Source: *CompScope™ Medical Benchmarks For Wisconsin, 15<sup>th</sup> Edition (2014)*.

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



\* MI, OK, TN, CT, and IL implemented a double-digit fee schedule decrease for a common knee arthroscopy (CPT 29881) from 2009 to 2012.

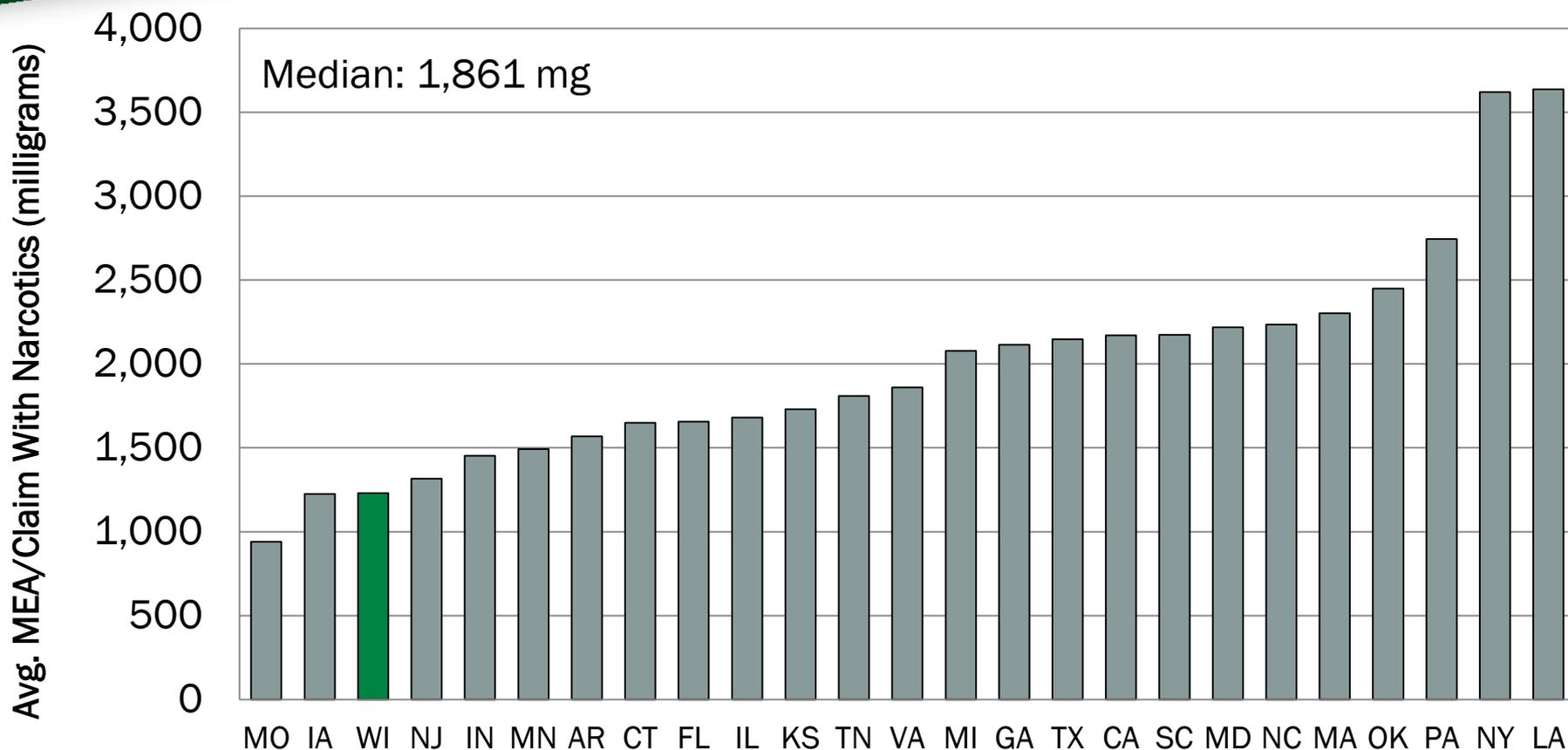
Group Health Data Include Copays And Deductibles.

Source: A New Benchmark For Workers' Compensation Fee Schedules: Prices Paid By Commercial Insurers? (2013)

© Copyright 2015 WCRI. All Rights Reserved.



# Wisconsin Average Morphine Equivalent Amount Per Claim Lower Than Typical

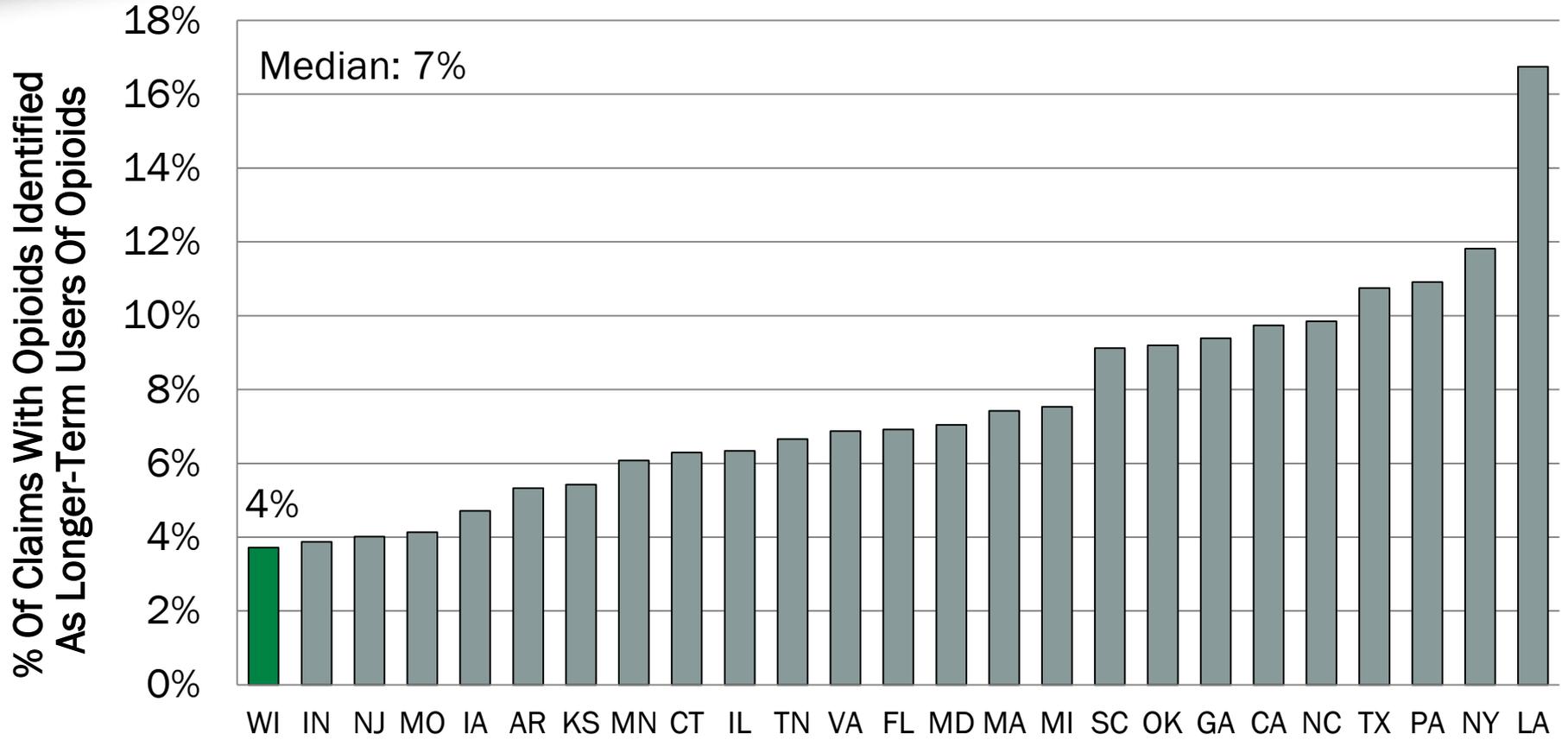


Nonsurgical Claims With > 7 Days Of Lost Time, Injuries From October 2009 To September 2010, Prescriptions Filled Through March 2012

Source: *Interstate Variations In Use Of Narcotics, 2nd Edition* (2014)

© Copyright 2015 WCRI. All Rights Reserved.

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



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

Source: *Longer-Term Use Of Opioids, 2nd Edition (2014)*  
© Copyright 2015 WCRI. All Rights Reserved.

# 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

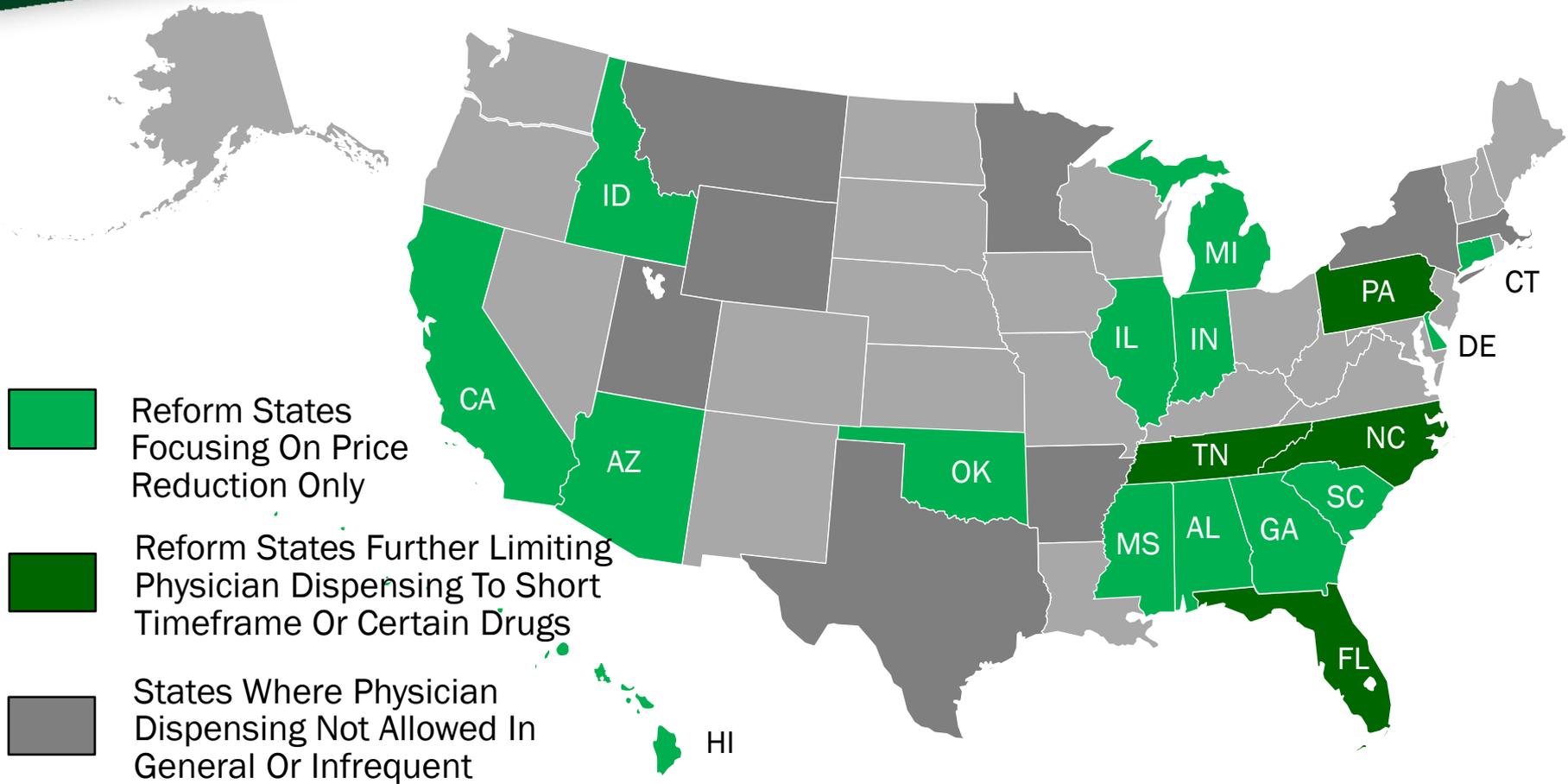
- Impact of state reforms
- Physician dispensing
- Medical treatment guidelines/utilization review
- Effect of ACA on WC systems
- Medical price regulation
- Compounding of Rx medications
- Impact of provider choice laws

# 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

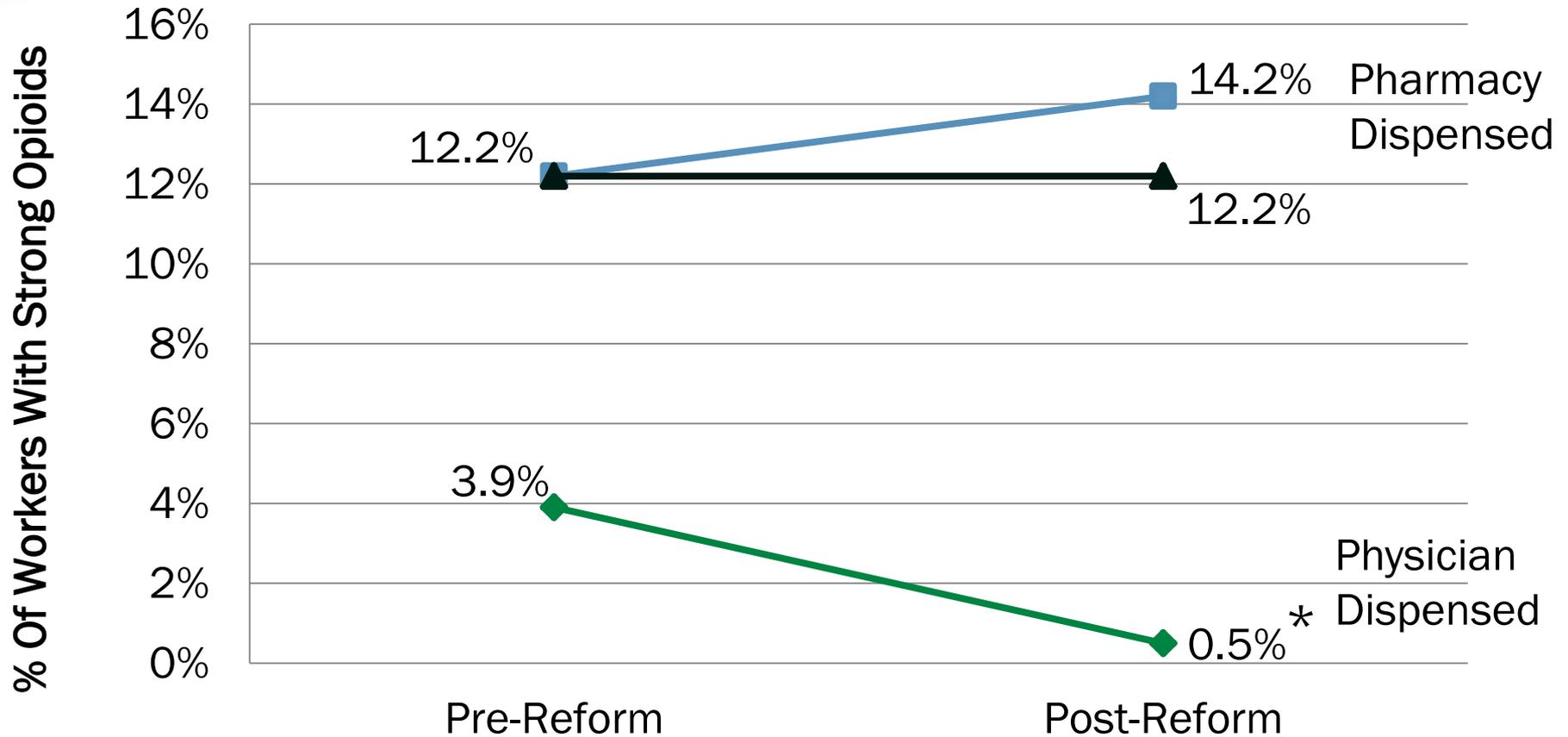
# 18 States Changed Rules Governing Reimbursement For Physician-Dispensed Drugs



# The Same Drugs, When Physician-Dispensed, Are Much Higher Priced

Common WC Drugs Prescribed By Physicians	Price Per Pill		% Difference
	Physician Rx	Pharmacy Rx	
Hydrocodone-acetaminophen (Vicodin®)	\$1.41	\$0.52	172%
Ibuprofen (Motrin®)	\$0.49	\$0.27	81%
Tramadol HCL (Ultram®)	\$1.55	\$0.73	114%
Cyclobenzaprine HCL (Flexeril®)	\$1.85	\$0.99	88%
Meloxicam (Mobic®)	\$5.86	\$3.19	84%

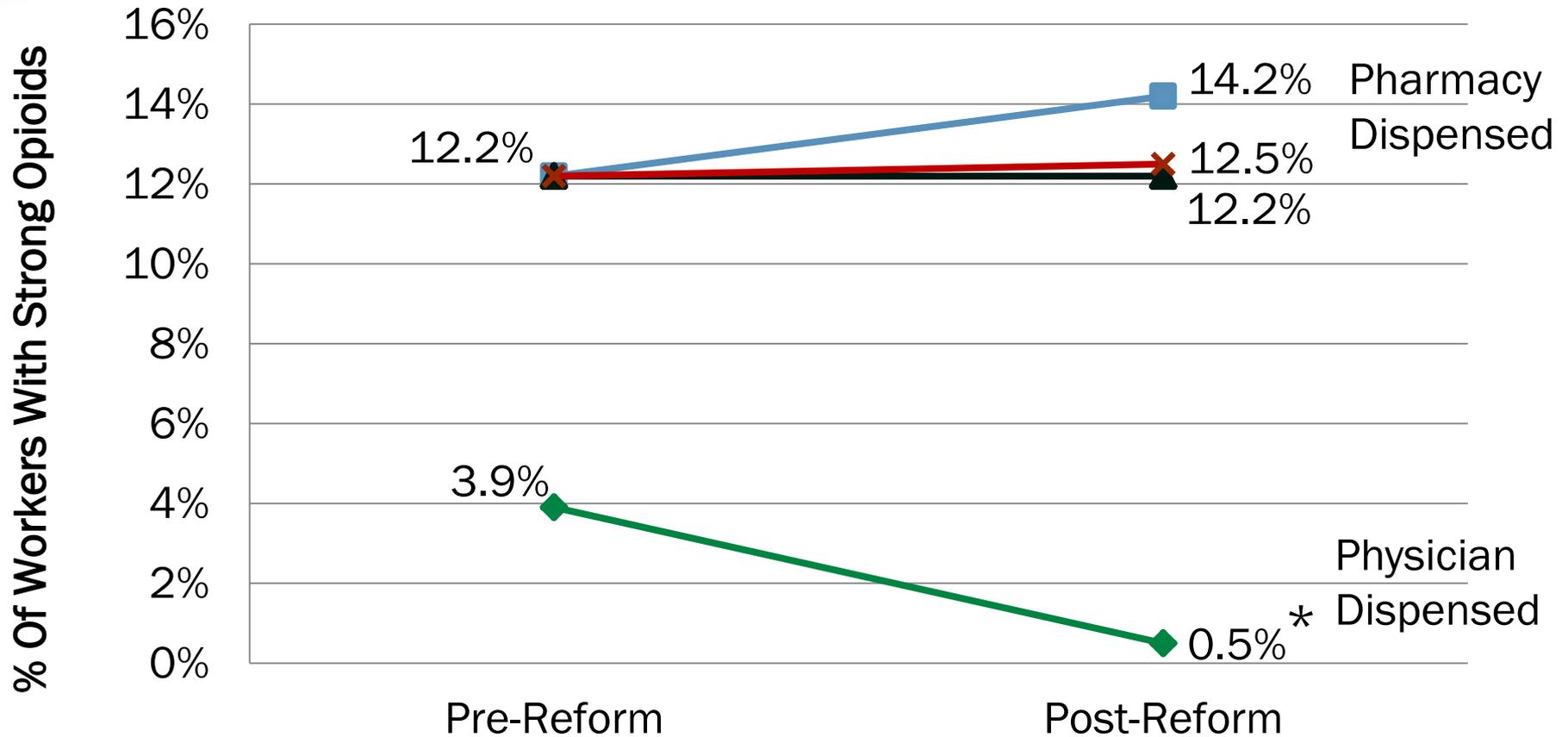
# Does Physician Dispensing Increase Opioid Use?



\* 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)

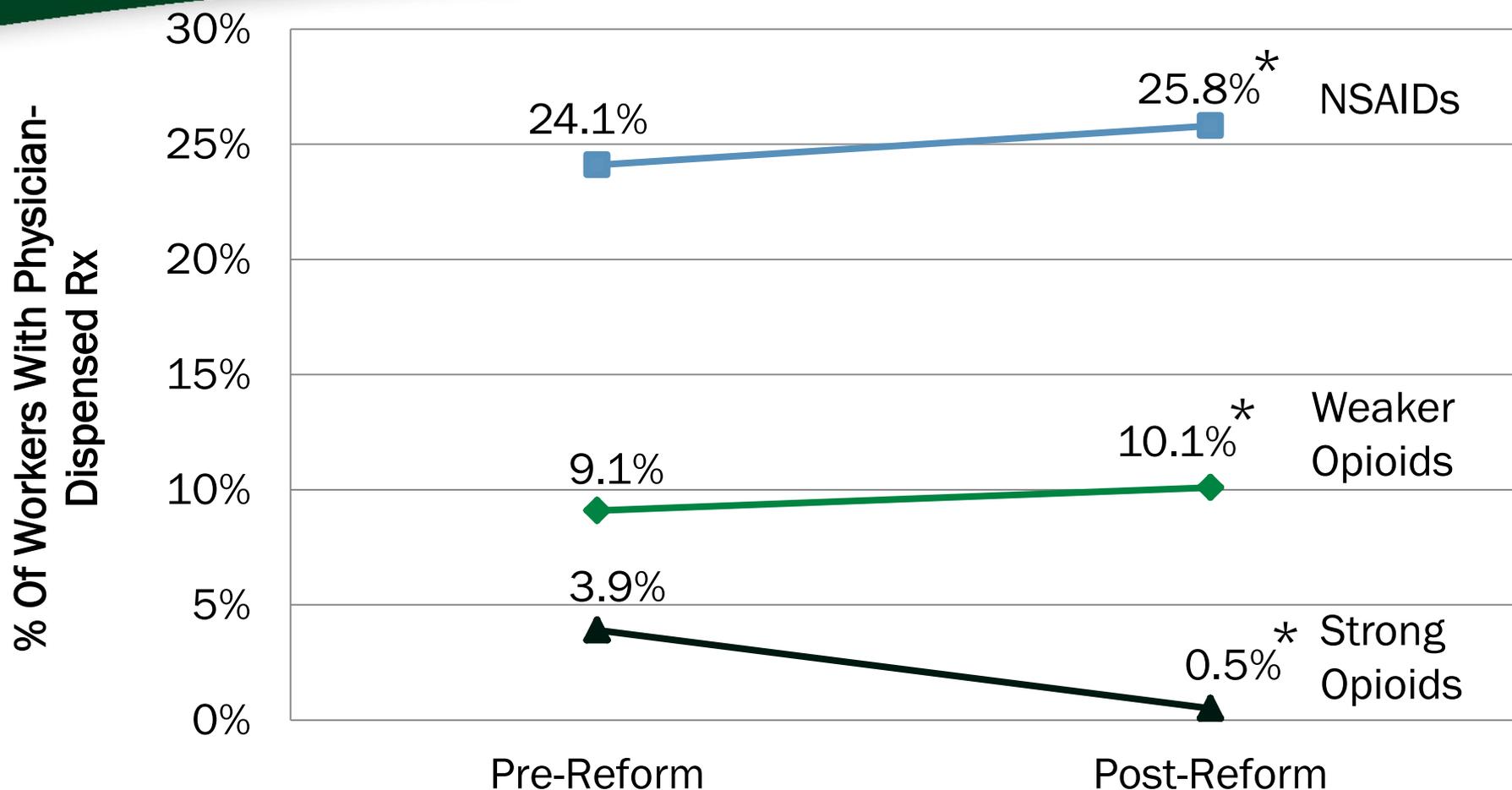
# Does Physician Dispensing Increase Opioid Use? Likely



\* 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)

# Most Received Physician-Dispensed NSAIDs And Weaker Opioids

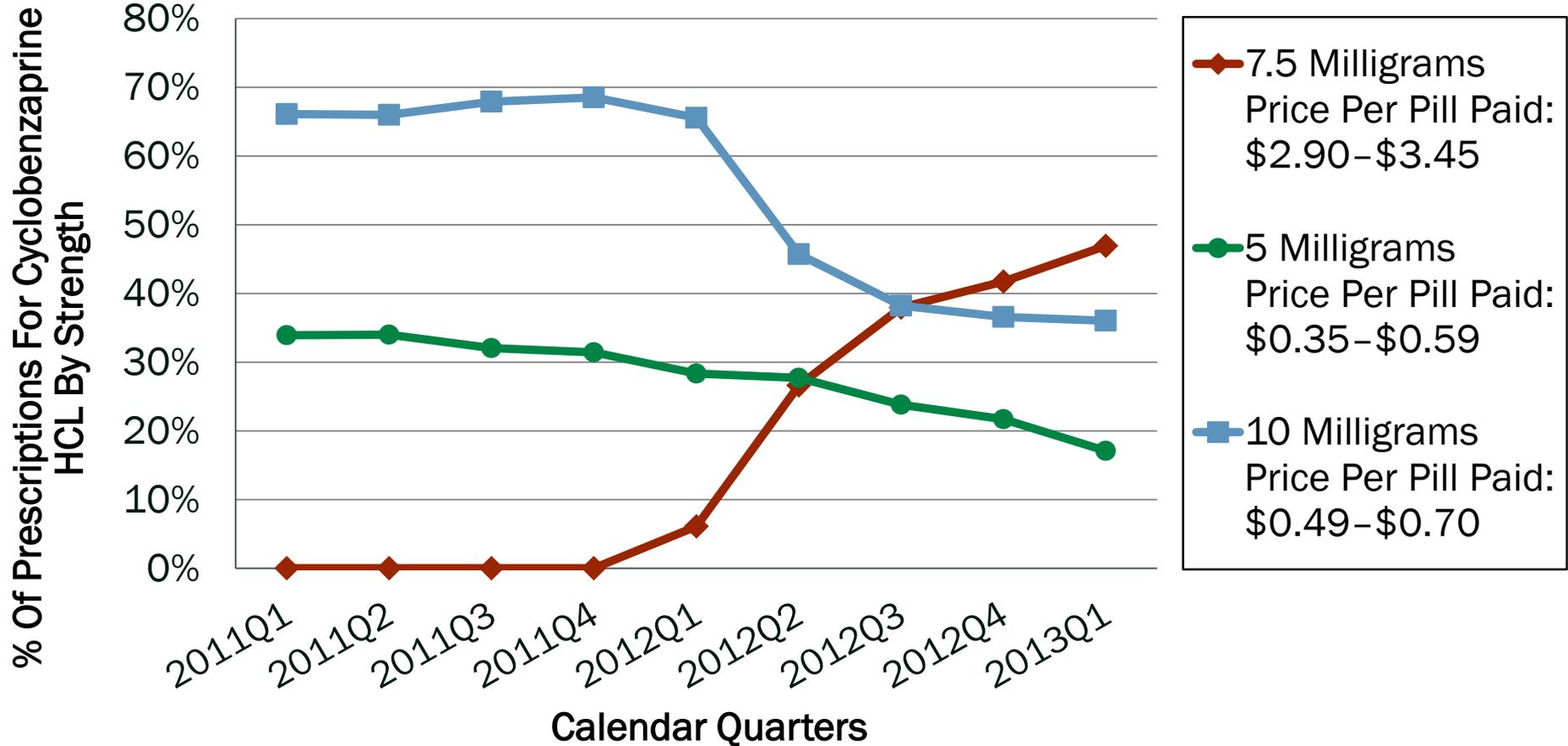


\* Statistically Significant at the 0.01 level

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)

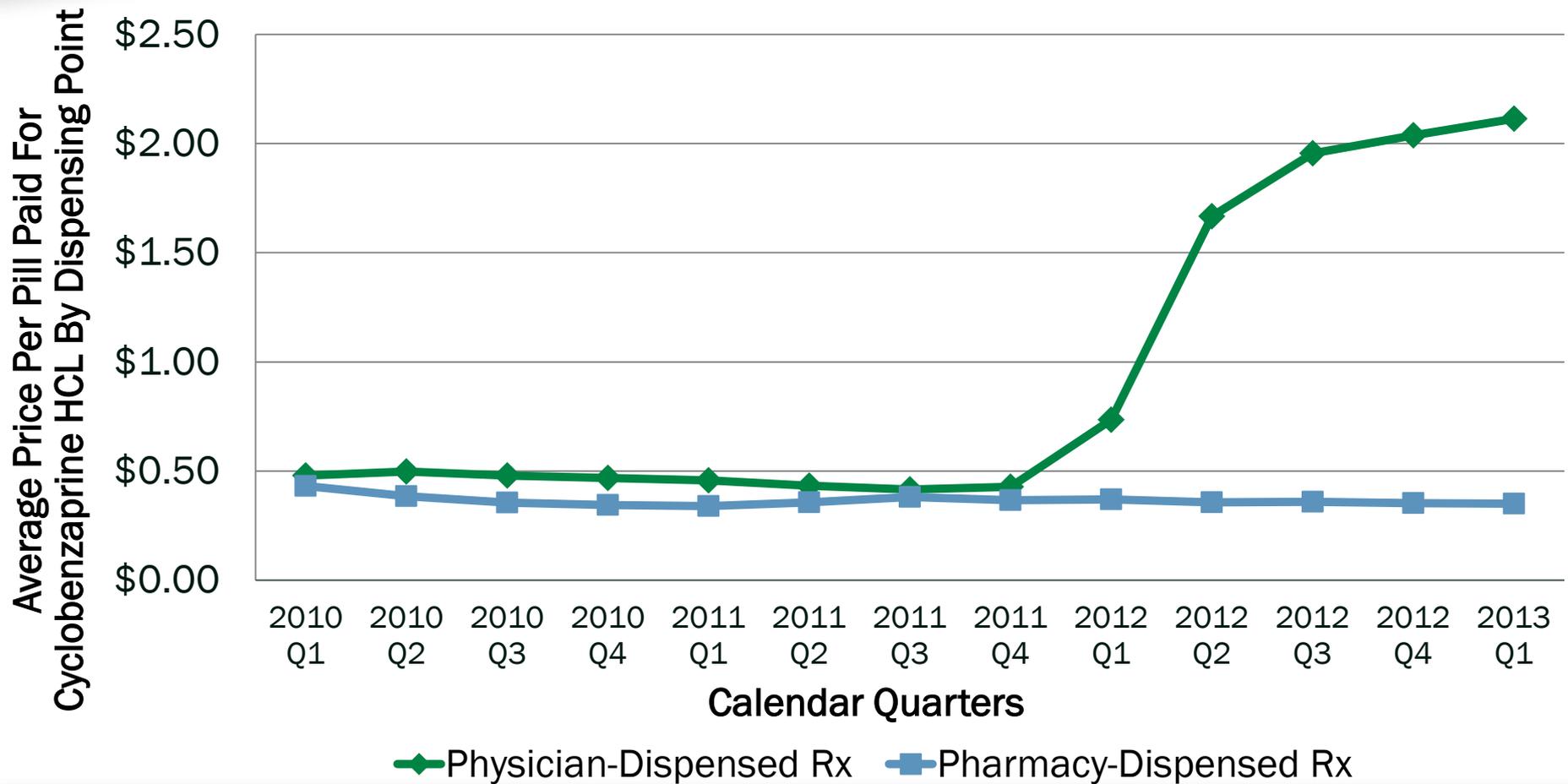


# Cyclobenzaprine New Strength In California: Rapid Increase, Much Higher Prices



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

# 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)

# About The “Fear Of Firing” Predictor

- Survey question: When injured, I was afraid of being fired or laid off?

Responses	% Of Workers In Survey – WI
Strongly Disagree	51%
Somewhat Disagree	12%
Somewhat Agree	13%
Strongly Agree	24%

# Those Who Strongly Agreed Were Most Likely To Have Worse Outcomes

Outcome	Strongly Or Somewhat Disagreed	Strongly Agreed (Fearful)
RTW: Not Working At Interview (%)	10%	21%*
Median Duration Of Disability (Weeks)	9	13*
Access: % Reported “Big Problems” Getting Desired Care	9%	20%*
Satisfaction: % Reported “Very Dissatisfied” With Care	8%	18%*
Earning A Lot Less At Interview (%)	3%	16%*

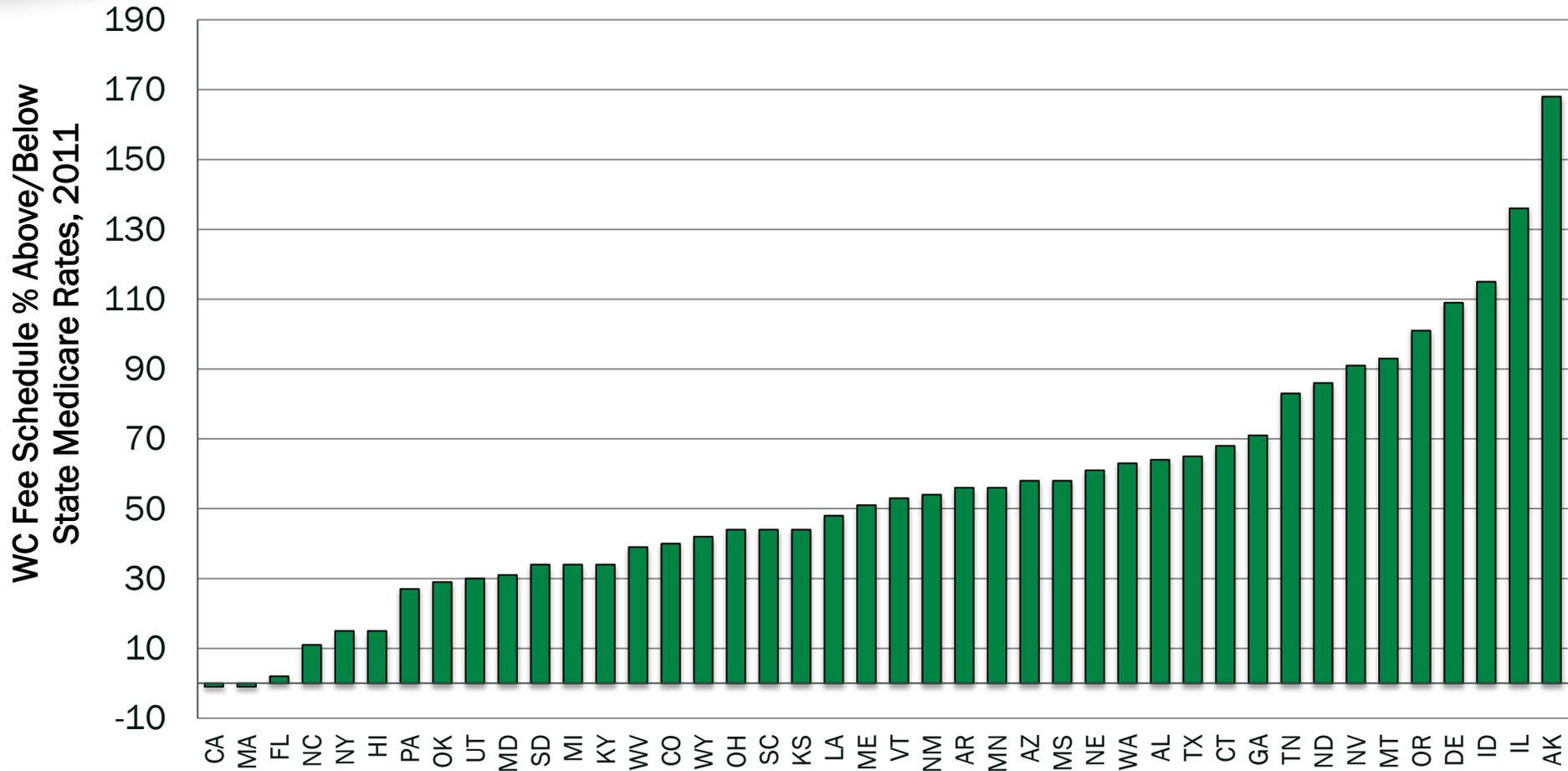
\* Statistically Significant

# Outline:

## Illustrations of Available Information

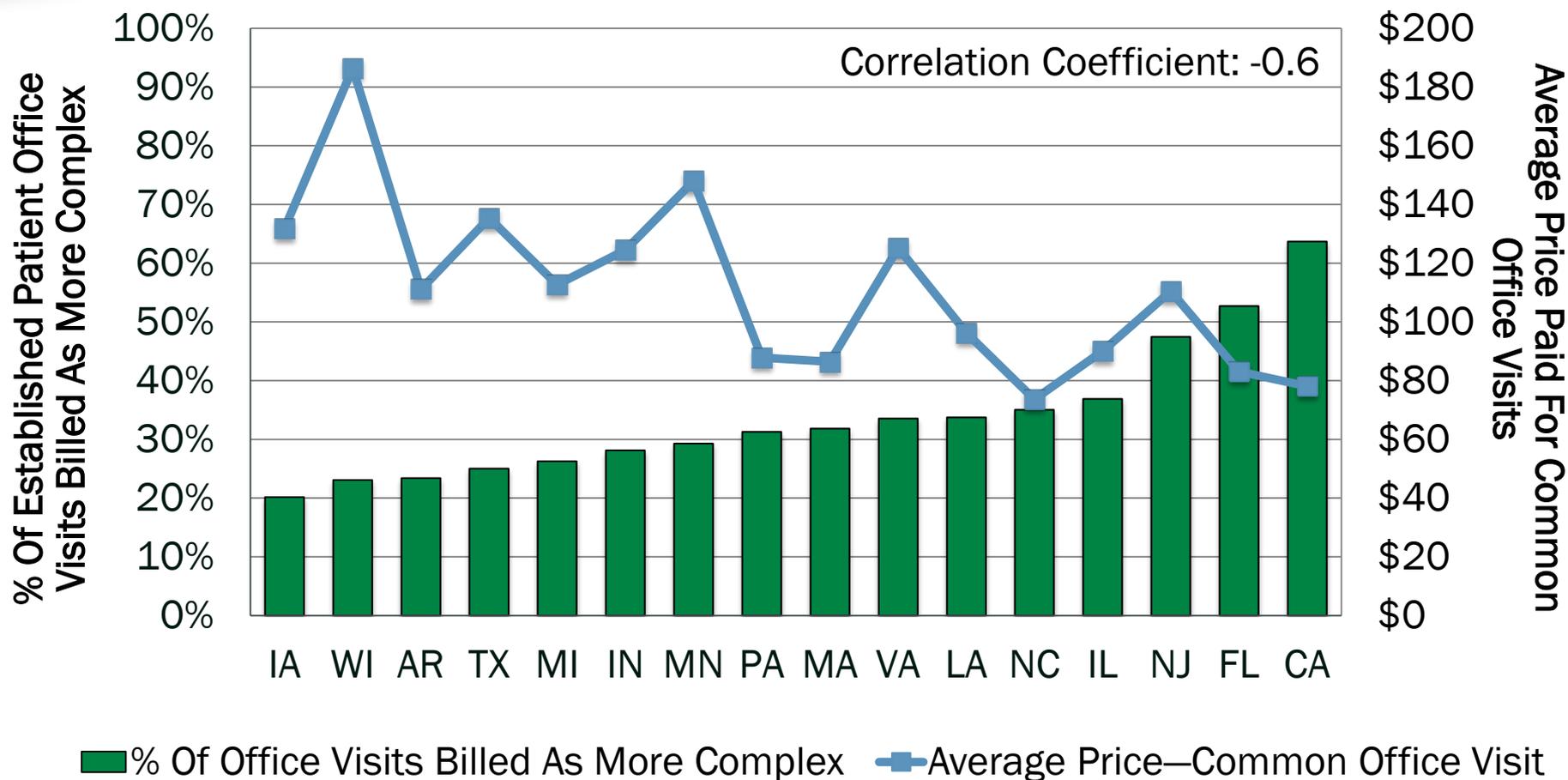
- How states compare
  - Income benefit payments
  - Worker outcomes
  - Medical costs and care delivered
  - Long-term opioid use
- Physician dispensing of Rx
- Trust in the workplace and worker outcomes
- ➔ Provider responses to medical price regulation

# In Most States, WC Physician Fee Schedule Above Medicare Rates By 30% Or More



Source: *Designing Workers' Compensation Medical Fee Schedules* (2012)

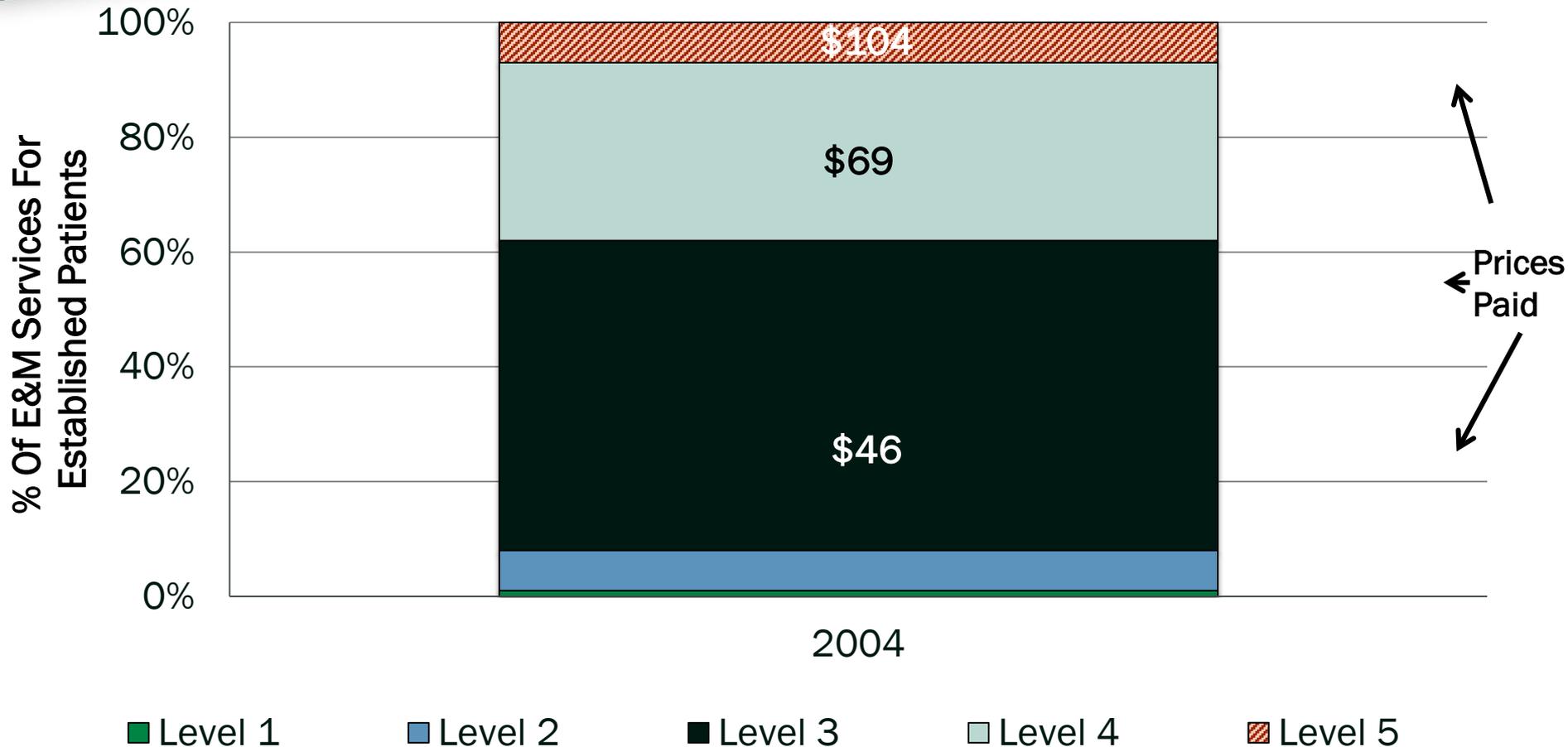
# Lower Prices Associated With More Frequent Billing Of Complex Office Visits



Common Office Visits In Calendar Year 2012

Source: *Estimating The Effect Of California's Fee Schedule Changes: Lessons From WCRI Studies (2014)*

# CA: Most Office Visits Were “Intermediate” (CPT 99213)

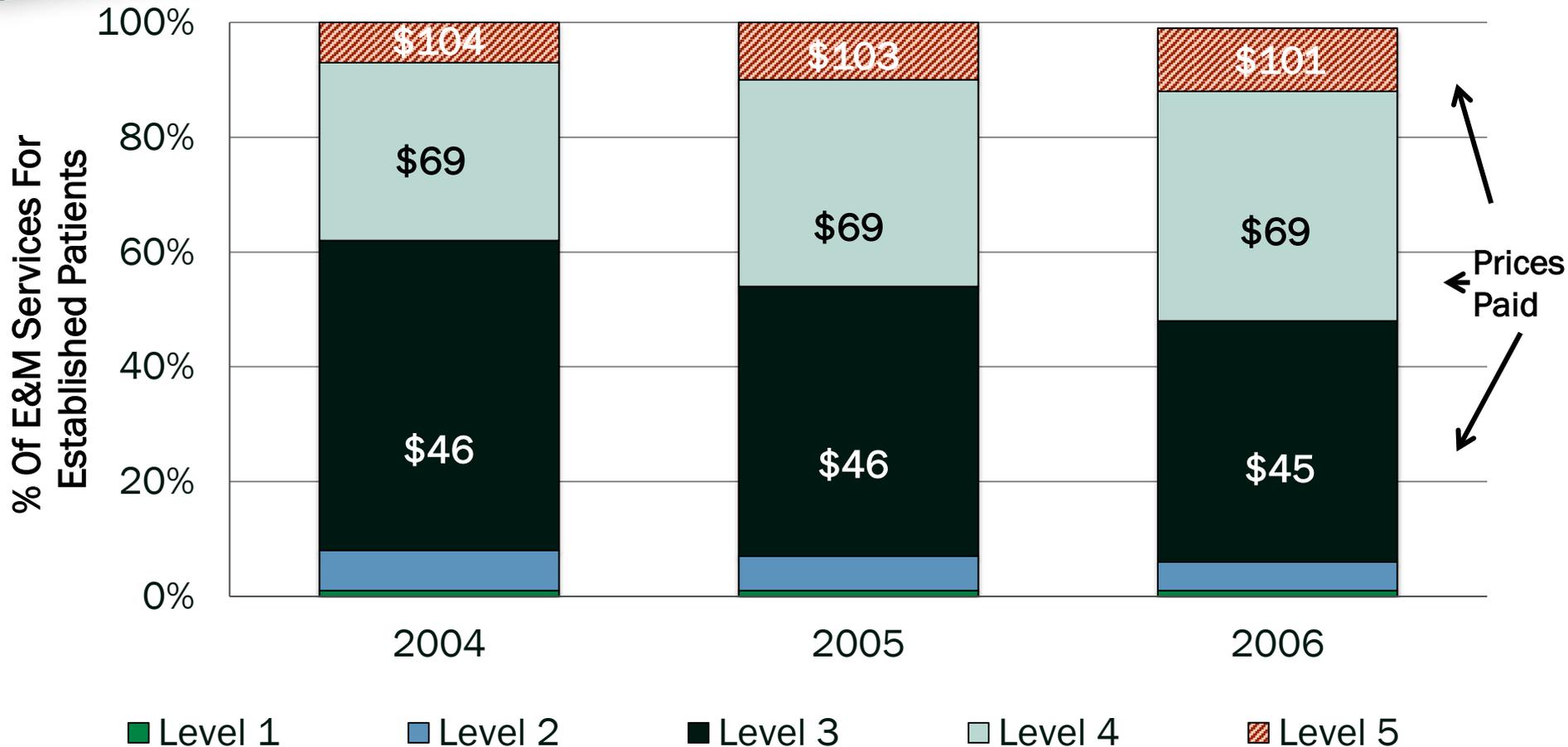


E&M: Evaluation & Management

Source: *Estimating The Effect Of California's Fee Schedule Changes: Lessons From WCRI Studies (2014)*

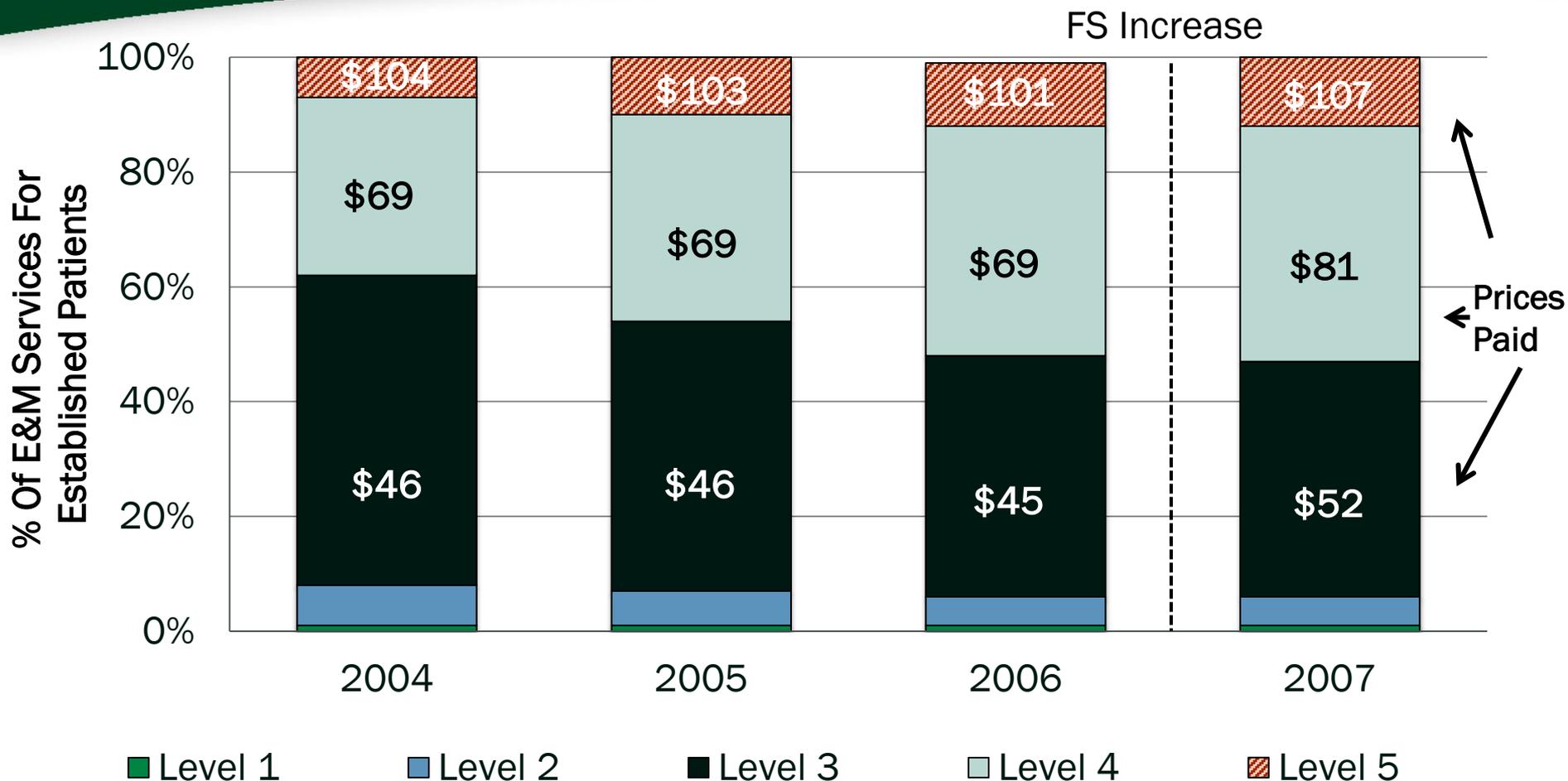
© Copyright 2015 WCRI. All Rights Reserved.

# CA Prices Frozen For 3 Years—More Office Visits Coded As More Expensive



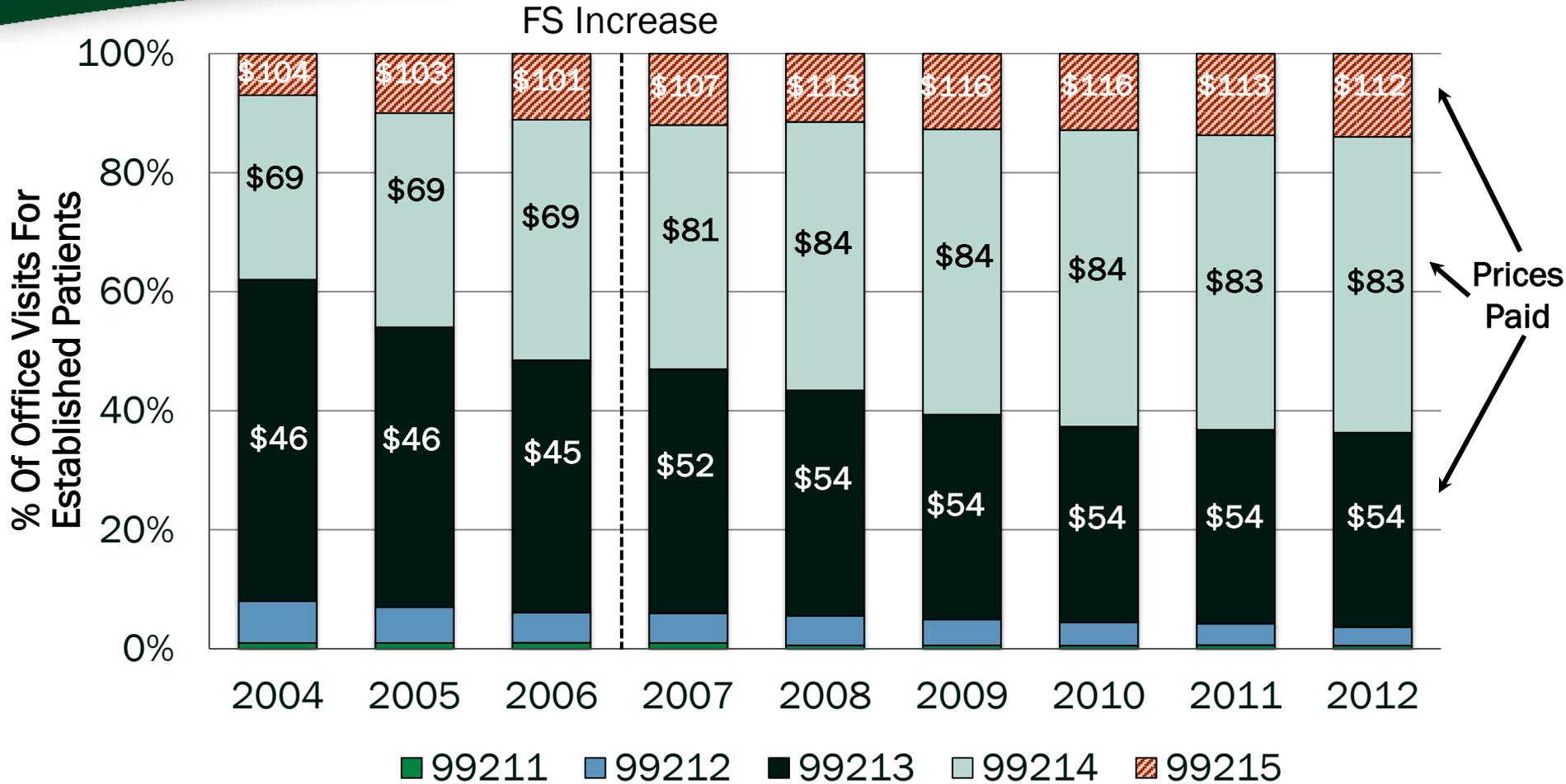
Source: *Estimating The Effect Of California's Fee Schedule Changes: Lessons From WCRI Studies (2014)*

# After CA Raised The Fee Schedule, Upcoding Stopped



Source: *Estimating The Effect Of California's Fee Schedule Changes: Lessons From WCRI Studies (2014)*

# When The Fee Schedule Was Re-Frozen, Upcoding Resumed



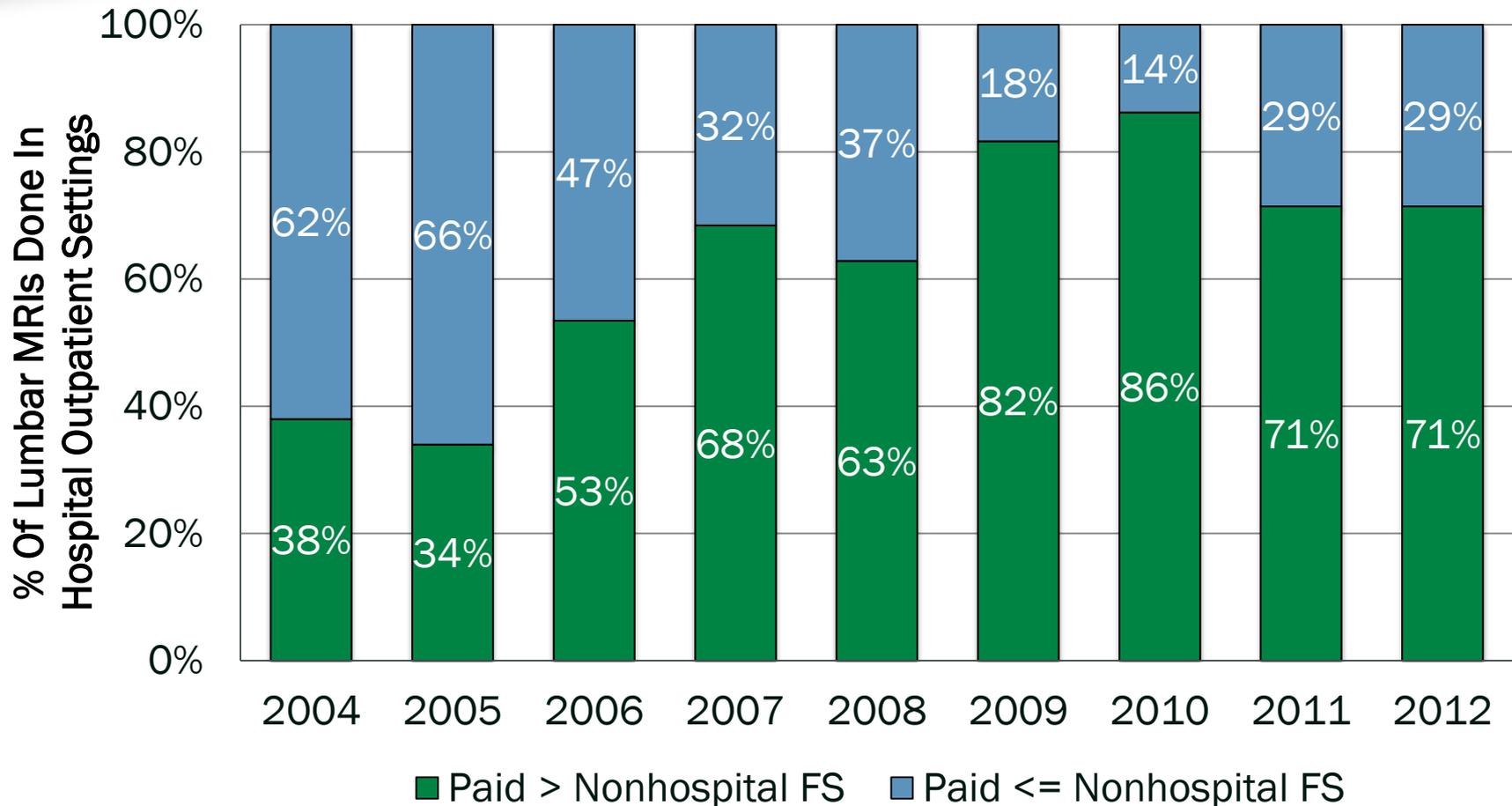
Source: *Estimating The Effect Of California's Fee Schedule Changes: Lessons From WCRI Studies (2014)*

# 2003 FL Reforms Reduced Fee Schedule Rates For Many Hospital Outpatient Services

Hospital Outpatient	Pre-Reform	Post-Reform
Scheduled Radiology	75% of charges	110% Medicare
Unscheduled Radiology	75% of charges	75% of charges

Source: *CompScope™ Medical Benchmarks For Florida, 15th Edition (2014)*

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



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

# WCRI Is A Resource For You

For further information:

website                      [www.wcrinet.org](http://www.wcrinet.org)

Richard Victor      617.661.9274