

# Are Payment Practices Unintentionally Enabling Employees to Start Opioids?

## The Problem and the Solution

The surgical setting introduces many patients to opioids. While opioids are inexpensive, they come at a cost. Estimates suggest that greater than 2 million surgical patients become persistent opioid users each year, costing society more than \$13 billion annually.<sup>1-3</sup> Despite their widespread use, 72% to 88% of patients still report moderate-to-severe pain in the first 72 hours after surgery.<sup>4</sup>

Local anesthetics administered directly into the surgical site have proven highly effective in managing post-surgical pain and greatly reduce the need for opioids.<sup>5</sup> Employers play a pivotal role in making these new alternatives available to their members.

## Medicare is Leading the Way

Non-opioid alternatives are not currently reimbursed appropriately. In 2019, Medicare addressed this by modifying their policy<sup>6</sup> to provide separate reimbursement (ASP + 6%) outside the surgical bundle for non-opioid pain management drugs and biologics<sup>7</sup> that qualify (>\$130). This change ensured there were no financial barriers to prevent providers from using non-opioid alternatives.

## Why Should Employers Care?

Carriers typically utilize surgical bundles to pay for medical procedures because they believe this payment strategy will drive better outcomes at a lower cost of care. Instead, these bundles unintentionally drive providers to seek lower cost alternatives (like opioids) to manage post-surgical pain.

This payment model gives members easy, and often unnecessary, access to opioids and does not support employers' efforts to address opioid use and abuse. It can lead to a pathway of dependence and addiction while decreasing worker productivity and increasing costs.

The use of postoperative opioids is associated with higher direct health care costs, greater utilization of medical services, higher risk of opioid dependency, and increased length of stay and readmissions due to opioid-related adverse events.

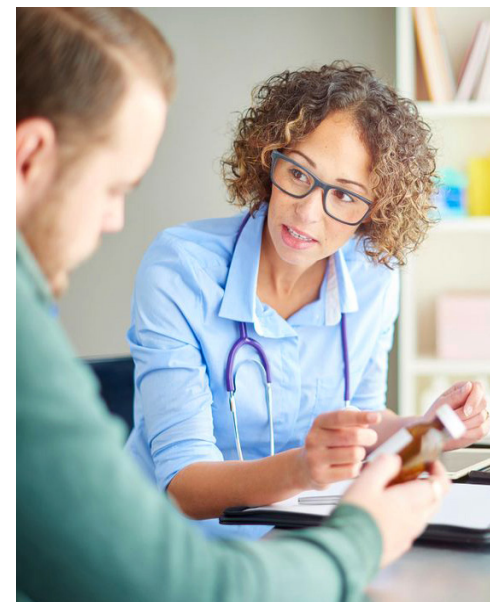
- \$27B – Lost work hours<sup>8</sup>
- \$2.6B – Spent by large employers to treat addiction and overdoses<sup>9</sup>
- \$5,100 to \$7,000 – Average additional cost per patient<sup>10</sup>



## EMPLOYERS – TAKE ACTION!

Self-insured employers and commercial carriers must follow Medicare's lead to address this unintentional exposure to opioids.

This action brief offers guidance to employers when working with their benefits consultants, health plan carriers and third-party administrators (TPAs) to address the opioid crisis by paying for new non-opioid therapies outside the surgical bundle. For a reasonable price, employers can offer members these new alternatives to effectively manage post-surgical pain.



# The First 72 Hours After Surgery Are the Most Painful

The goal of postoperative pain management is to reduce the pain and discomfort after surgery while minimizing side effects. The first 72 hours following surgery – when pain is most severe and inflammation is highest – are critical in successfully treating postoperative pain. Most long-acting local anesthetics, including liposomal bupivacaine and those delivered by pumps, do not consistently demonstrate efficacy beyond 12-24 hours.<sup>11-15</sup> When pain remains, opioids are often prescribed, but with significant cost and consequence.<sup>1-3,16</sup> Today's new non-opioid therapies are administered into the surgical site, helping to close the gap in post-operative pain management. These treatments last 72 hours and significantly reduce the need for opioids.

“Our carriers need to cover non-opioid pain medications regardless of their current protocols and reimburse for them separately.”

## Employer Action Steps to Drive Change

Employers who are committed to reducing the use of opioids in the medical and pharmacy supply chain and avoid unintended opioid exposure, should put these action steps in motion:

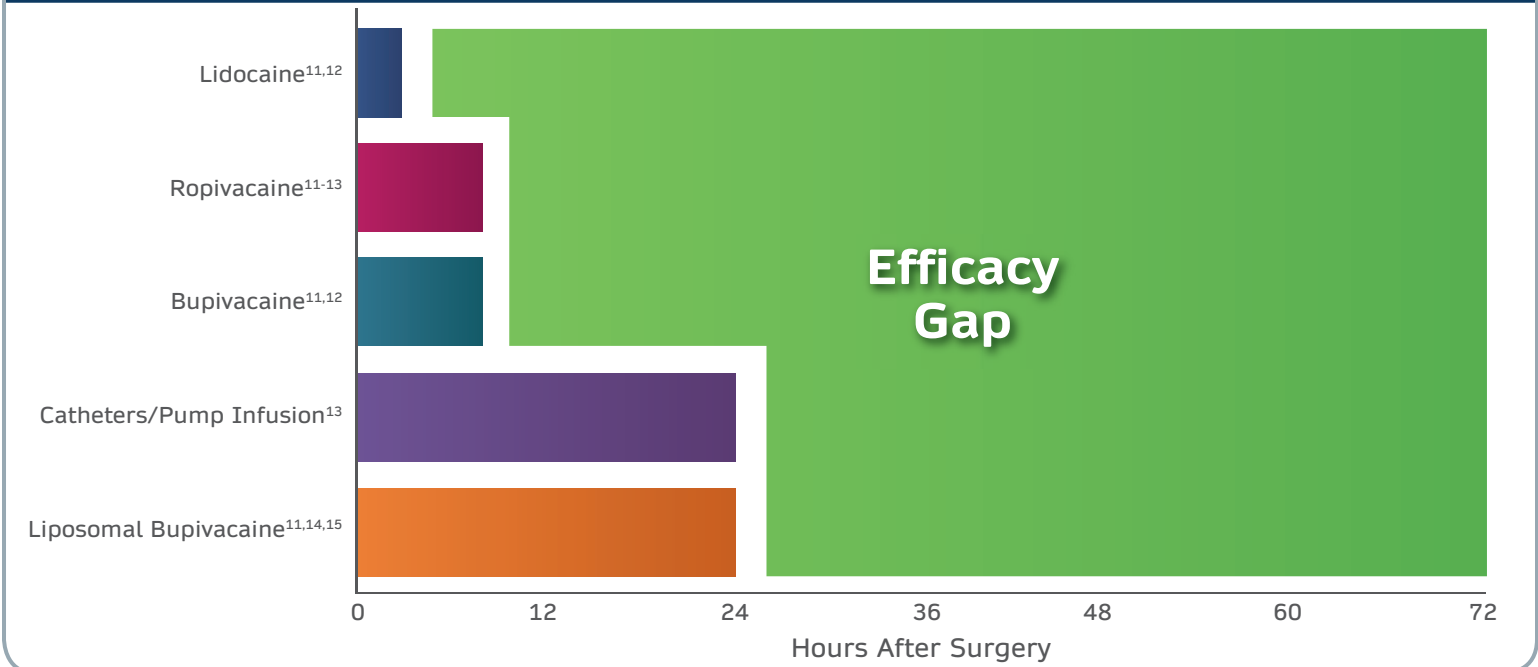
1. Notify partners (e.g. Health Plan Carriers, Third Party Administrators, Centers of Excellence and Accountable Care Organizations) that you want to separately reimburse, outside the surgical bundle, for non-opioid pain management therapies that are clinically indicated to provide 72 hours of postoperative pain relief – these have been proven to reduce and possibly eliminate, the need for opioids after surgery.
2. Consider using this language when communicating with your partners: *Employees need effective pain management after surgery, and we desire to provide that in the safest way possible. Please confirm if non-opioid post-operative pain medications administered into the surgical site are covered under our plan outside the surgical bundle with your in-network providers.*

*If not, I would like to add it to our medical policy as an approved in-network drug. Please start the appropriate approval process and send any applicable documentation for me to sign.*



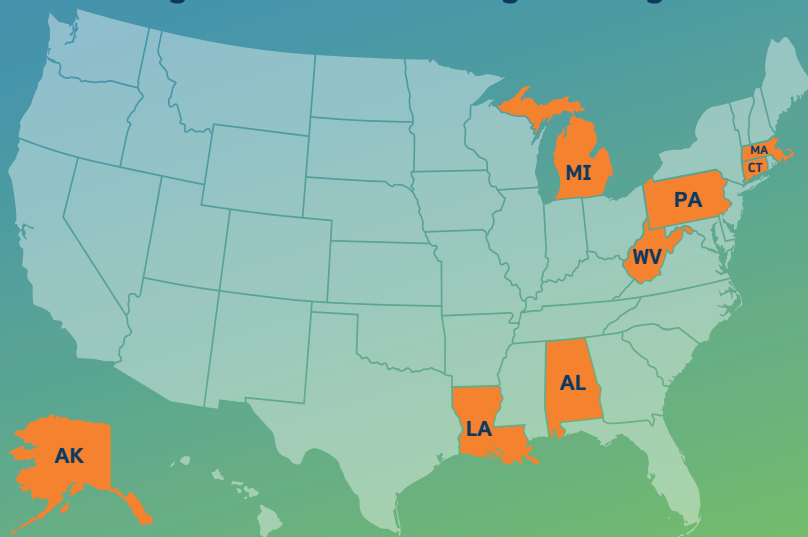
3. Inform care managers and care navigators about non-opioid therapies and what is covered under your plan, so they can educate members prior to surgery.
4. Educate your members on ways to utilize these new treatments and how to talk to their provider about prescribing these alternatives. Use this [sample language](#).
5. Take a stance. Go public with your organization's position on reducing opioid exposure.

There Is an Efficacy Gap in Postoperative Pain Management





## Eight States are Setting the Stage



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*Non-opioid pain analgesics are a great value and a better alternative to manage post-surgical pain. In the long run, they can truly be a value-based benefit.*

”

To date eight states have passed legislation establishing a non-opioid directive that allows patients to notify health professionals that they do not wish to be treated with opioids. It is intended to create a dialogue between patients and providers around opioids. The following states have passed directives: West Virginia, Louisiana, Alaska, Connecticut, Michigan, Pennsylvania, Massachusetts, and Alabama. One state, Michigan, requires that Health Plans, PBMs and TPAs offer a non-opioid directive to all members at open enrollment.

Additionally, Senator Manchin (D-WV) and Senator Tim Scott (R-SC) introduced the federal **Non-Opioid Directive Act**<sup>17</sup> based on the legislation that has already passed in several states.

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Midwest Business Group on Health (MBGH) is a 501c3 non-profit supporting employers seeking solutions to better manage the high cost of health care and the health and productivity of their covered populations. Founded in 1980, MBGH offers members leading educational programs, employer-directed research projects, purchasing opportunities and community-based activities that increase the value of health care services and the health benefits they offer to members. MBGH serves over 145 companies who provide benefits to over 4 million lives, with employer members spending more than \$15 billion on health care each year. For more information – [www.mbggh.org](http://www.mbggh.org) – [Board Members](#) – [Members](#)

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