

Finding Solutions to the Problem of Pain through Episodes of Care



What should Employers Know About Lower Back Pain?

Back pain is one of the most common reasons for missed work; 80% of the general population will suffer from a severe episode of lower back pain at least once in their lifetime. With a prevalence of 27%, lower back pain is the leading cause of chronic pain and disability in Americans under 45 years old and serves as a prime example of pain's direct and indirect health costs to employers.

With the current reimbursement schedule disincentivizing low-cost, timely and non-surgical solutions to back pain, it comes as no surprise that it is a leading health-related economic drain with annual U.S. costs exceeding \$100 billion. As pain management becomes an ever-larger share of employer health care costs, an important question arises: what can employers do to turn the percentages in their favor?



The Cost to US Health Care

Back pain is a significant contributor to the rising costs of healthcare in the U.S. The total direct costs of back pain-related healthcare utilization are \$96 billion a year². And because lower back pain often exists with other symptoms, such as depression and chronic fatigue it means back pain sufferers are among the most expensive patients.



The Cost to Workers

Employees that suffer from back pain are also much more likely to suffer from depression and chronic fatigue³, both of which also significantly reduce productivity. Depression alone is estimated to cost US workplaces \$23 billion each year in absenteeism.⁴



The Cost to Employers

According to the Centers for Disease Control and Prevention (CDC), back pain costs employers \$1,685 per employee every year⁵.

Healthcare costs for people with back pain are on average 60 percent higher than for those without back pain⁶.

Across the nation, that equates to a loss to businesses of \$225.8 billion. And that's just the loss of productivity.

Employer costs are further increased by back pain's contribution to disability and worker compensation claims. Per 100 employees, back pain costs employers \$7,100 in short term disability, \$4,200 in long term disability, and \$1,900 in worker compensation⁷.

Source:

¹ https://www.who.int/medicines/areas/priority_medicines/Ch6_24LBP.pdf

² Mehra M, Hill K, Nicholl D, Schadrack J. The burden of chronic low back pain with and without a neuropathic component: a healthcare resource use and cost analysis. *J Med Econ.* 2012;15(2):245-52.

³ Crow W, Willis D. Estimating Cost of Care for Patients with Acute Low Back Pain: A Retrospective Review of Patient Records. *J Am Osteopath Assoc.* 2009;109:229-233.

⁴ Witters, Dan et al. Depression Costs U.S. Workplaces \$23 Billion in Absenteeism. Gallup. July 24, 2013. <http://www.gallup.com/poll/163619/depression-costs-workplaces-billion-absenteeism.aspx>. Accessed March 2014.

⁵ <https://www.cdc.gov/chronicdisease/resources/publications/aag/workplace-health.htm>

⁶ Crow W, Willis D. Estimating Cost of Care for Patients with Acute Low Back Pain: A Retrospective Review of Patient Records. *J Am Osteopath Assoc.* 2009;109:229-233.

⁷ Bryla, Jacy. Low Back Pain Takes Toll on Worker Health & Productivity. Integrated Benefits Institute. October 23, 2013 Accessible at <http://www.ibiweb.org/community-events/low-back-pain-takes-toll-on-worker-health-productivity-integrated-benefits>. Accessed March 2015



How Can Employers Advance High Value Care for Lower Back Pain?

Episodes of Care present a path forward...

Episodes of Care seek to change incentives for providers treating lower back pain by rewarding quality over quantity.

By participating in Lower Back Pain Episodes to increase the value in care, employers are making a bold statement about investing in the health of their employees, in addition to financial savings.

Collaborate with Remedy on the establishment of regional Centers of Excellence – designated groups of providers that meet high standards for both the quality and the cost of care for back pain.

COEs address variations in quality and costs. Providing employees with member education, information and incentives to seek care from high-performing facilities treating lower back pain drives them to these Centers.

Apply value-based incentives to pain treatment so that patient outcomes are directly linked to reimbursement.

This can help to reduce the rate of avoidable procedures, improve the quality of low back pain related care, decrease post-procedure length of stay, and redirect treatment options away from habit-forming medications.

Great opportunity for improvement may exist in simply connecting

Using an evidence-based and continuous quality improvement process and outcomes management approach to integrate and coordinate care for lower back pain can not only improve cost and quality outcomes related to lower back pain, but can also provide continuous evaluation for improvement in the Episode.

Equip employees with the information they need to make the right care choices

Member education on appropriate, outcomes-focused lower back pain care empowers them to make cost-reduction and quality-improving choices. This creates smart, engaged, and activated patients who know their options for treatment and what to do to care for themselves.



About the Lower Back Pain Episode of Care Program

Developing a Lower Back Pain Episode of Care that has in-built opportunities to realize savings and significantly improve quality translates to a positive influence on the value of lower back pain care to patients and employers. The episode is built to ensure coordinated, outcomes focused and high-quality care, and value-based incentives are applied to back pain treatment in the episode, linking care choices, patient outcomes, and reimbursement.

Opportunities for Savings and Improved Quality

How Episodes of Care influence the value of lower back pain care

NON-SURGICAL

Unnecessary surgery avoidance

Most cases of back pain will resolve within 6 weeks following rest or physical therapy⁸. Putting a chronic condition episode in place for Lower Back Pain that has a **definition** inclusive of the time necessary for an adequate trial of physical therapy and a **cost** inclusive of surgical procedures in a total target price, will incentivize the appropriate avoidance of surgery by providers, as the choice is directly tied to their reimbursement. Undesirable outcomes – such as complications, infections – are also avoided when non-surgical options are chosen.

Pre- Screening prior to surgery and pain prescription

Where surgery is necessary following the adequate trial of alternative treatment, the Lower Back Pain Episode of Care definition and protocol is built in either case so as to include screening to identify medication alternatives for pain control, to decrease medication dependence and addiction. The Episode design provides incentives to providers to pre-screen before surgery and prescription, which can prevent the costs – financial, social and mental – associated with medication dependence.

SURGICAL

Procedure Type

Given the wide variety of surgical interventions available for lower back pain (from least to most invasive), the provider network for the Lower Back Pain Episode of Care is developed using provider performance on that scale of surgical interventions as a measure. That is, provider historical performance is evaluated based on what the right mix of procedures is defined as -- a definition that accounts for return to work, amount of physical therapy required after procedure, risk of complications, and other cost-contributing factors. The target price is developed based on this ideal mix of interventions, and as a result providers are incentivized providers to pursue the most appropriate treatment options, even within surgery, since their reimbursement is directly tied to the quality and cost of patient outcomes.

Site of Surgery

The Lower Back Pain Episode target price also takes into consideration the cost of various sites of surgical lower back pain interventions. Outside of cost, sites of surgery are also evaluated based on the level of quality they provide on key outcomes measures such as hospital-acquired infections, readmission rates, length of stay, among others. This means that low cost/high quality sites of care exist as an opportunity to realize savings and improve quality for employers, providers and patients alike.

Source:

⁸Flynn TW, Smith B, Chou R. "Appropriate Use of Diagnostic Imaging in Low Back Pain: A Reminder That Unnecessary Imaging May Do as Much Harm as Good." Journal of Orthopaedic & Sports Physical Therapy 41 (11): 838-846 (November 2011).