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THE OPIOID EPIDEMIC:

How Employers Can Utilize Employee Benefits and
Workers' Compensation to Fight Back



As the opioid epidemic continues to plague communities and workforces across the U.S., employers have several tools in their insurance and employee benefits arsenal to prevent and treat opioid abuse in the workplace.



The Opioid Epidemic: How Employers Can Utilize Employee Benefits and Workers' Compensation to Fight Back

Opioid addiction touches all communities, geographies and industries. Its devastating effects can be felt in mortality rates, homelessness rates, societal costs, increased crime and employee productivity.

The abuse of opioids, a class of drugs that includes everything from prescription drugs oxycodone and morphine to illegal street drugs like heroin and fentanyl, has undoubtedly evolved into a nationwide epidemic. In April, the Trump Administration extended its opioid public health emergency for the second time as the war against prescription painkillers and street opioids wages on.¹

On average, Americans consume more doses of opioids per day than every other developed nation.² More than 4.3 million Americans using opioids are doing so without doctor's orders.³

This widespread abuse has taken a heavy toll. Opioids have become one of the top killers in the U.S. Every day, opioid-related overdoses claim the lives of approximately 115 people—that's more than stroke, Alzheimer's disease and diabetes combined.^{4, 5} Opioid overdoses have become the leading cause of injury and death in the U.S., and the more recent introduction of fentanyl, an extremely powerful street opioid, is causing overdose rates to spike even higher.

¹ <http://thehill.com/policy/healthcare/384551-trump-administration-extends-opioid-public-health-emergency>

² <https://qz.com/1198965/the-surprising-geography-of-opioid-use-around-the-world/>

³ <https://www.bna.com/opioid-addiction-work-n57982085155/>

⁴ <https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>

⁵ <https://www.medicalnewstoday.com/articles/282929.php>

From Medicine Cabinets to the Street

The opioid epidemic emerged in the 1990s when doctors struggled to treat patients' pain. Seeing an opportunity to fill this need, pharmaceutical manufacturers began producing and marketing opioids more aggressively. Previously, opioids were used to treat acute pain, but doctors subsequently prescribed them to patients experiencing chronic pain as well. Between 1997 and 2006, retail sales of hydrocodone increased by 244%, oxycodone sales rose 732% and methadone sales skyrocketed by 1,177%.⁶

These drugs turned out to be much more addictive than many patients and doctors originally suspected, and the number of opioid abuse cases started to proliferate. As addiction rates rose, patients either ran their prescriptions dry or could no longer afford to purchase the product legally. Many looked for cheaper and more accessible substitutes by purchasing heroin and other opioids on the street, which exacerbated the issue into a national epidemic.

⁶<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4106581/>



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Mounting Cost to Employers

Fast forward to today and 11.5 million Americans are misusing opioids, according to the U.S. Department of Health and Human Services.⁷

In monetary terms, this excessive opioid use cost the U.S. economy \$504 billion in 2015, according to the Council of Economic Advisers, or approximately 2.8% of U.S. GDP.⁸ This crisis extends into the workplace as well. A recent survey from the National Safety Council found that approximately 29% of employers saw an employee's job performance suffer as a result of prescription painkiller use.⁹ A whopping 70% of employers said their workforces have been negatively affected by opioids in some capacity. On top of that, roughly 10% to 12% of American workers are under the influence of drugs at work.¹⁰

Opioids are the most expensive and highly utilized drugs for work-related injuries, accounting for 24.1% of total pharmacy spend in 2017, according to a recent survey from prescription services company MyMatrixx. Not only are those abusing opioids typically less productive and more frequently absent from the office, opioid abusers tack on an additional \$8,600 a year in healthcare expenses.¹¹ All in all, opioid misuse is costing employers more than \$12 billion per year, according to Bloomberg BNA.¹²

But financial implications aside, employers have an ethical responsibility to do right by their employees. As the epidemic grows, so have the number of strategies employers have at their disposal to counteract this devastating issue. A two-pronged approach including catered employee benefits programs and workers' compensation insurance offers employers the chance to better equip their employees to deal with the opioid crisis. Inaction is no longer an option.

⁷<https://www.hhs.gov/opioids/about-the-epidemic/>

⁸https://www.benefitspro.com/2017/11/21/opioid-crisis-cost-revised-to-504-billion-in-sixfo/?kw=Opioid-crisis%20cost%20revised%20to%20%24504%20billion%20in%20sixfold%20surge&et=editorial&bu=BenefitsPRO&cn=20171121&src=EMC-Email_editorial&pt=News%20Ale

⁹<https://www.bloomberg.com/news/articles/2017-09-20/overdosing-on-the-job-opioid-crisis-spills-into-the-workplace>

¹⁰<https://www.bna.com/opioid-addiction-work-n57982085155/>

¹¹<https://www.bloomberg.com/news/articles/2017-09-20/overdosing-on-the-job-opioid-crisis-spills-into-the-workplace>

¹²<https://www.bna.com/opioid-addiction-work-n57982085155/>



Opioid-Averse Employee Benefits Programs

Employee benefits programs can be so much more than paid time off packages, retirement savings accounts, special perks and a mix of insurance offerings. When utilized correctly, these programs can effectively help prevent and treat opioid addiction.

Considering most individuals receive health insurance through their workplace, employers are well positioned to meaningfully impact the fight against opioids. Small shifts can make a huge difference in an employee's access to treatments, the drugs themselves, as well as information and resources that can both deter initial use and help individuals stay on the path to recovery. Here are a few shifts companies can take:

Limit insurance-covered access to opioids

Despite 80% of employers expressing concern about employee opioid abuse, only 30% restrict opioid prescriptions under their health plans, according to a recent survey.¹³ On top of that, only 21% have programs in place to help manage the use of prescription opioids. By working with their health plan provider, employers can severely limit the quantity of pills available on initial opioid prescriptions while also expanding coverage for physical therapy and other pain management alternatives.

The Centers for Medicare & Medicaid Services is attempting to do this right now by setting trigger limits on opioid prescriptions that limit the amount of pills Medicare users can receive in a given time period.¹⁴ These triggers can be overridden only after the plan sponsor consults with the prescribing physician. Considering roughly 80% of new heroin users start out with prescription opioid pills, limiting unnecessary access to these drugs can help prevent employees from developing a dangerous opioid habit.¹⁵

¹³ <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/steps-to-address-opioid-crisis.aspx>

¹⁴ <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2018-Fact-sheets-items/2018-02-01.html>

¹⁵ <https://www.asam.org/docs/default-source/advocacy/opioid-addiction-disease-facts-figures.pdf>

2 Train supervisors to recognize signs of abuse

Detection is critical to the opioid recovery process. While many individuals know the risks of taking opioids, most people are unable to spot the signs of addiction even when it is right in front of them. A study from the University of Michigan found that only 32% of the 4,600 individuals surveyed were able to identify the signs of pill addiction.¹⁶ Even those aware of the signs of opioid abuse, like mood swings, changes in energy levels and social withdrawal, can struggle to identify these traits among their peers. This underscores the need for more training programs so that coworkers and managers can spot misuse before it gets out of hand.

3 Employee assistance programs (EAPs)

Employee assistance programs allow employees to voluntarily get help when working through challenges that can adversely affect their performance at work. EAPs are typically paid for entirely by the employer and are completely confidential. This structure offers a risk-free first step to recovery for someone in need who might not be ready to go public with their addiction, or perhaps is merely seeking additional information about their options. Whether it be through assessments, counseling or referrals to additional employee services, these programs are meant as a first step to recovery, no matter an employee's specific needs.



4 Destigmatize opioid addiction with education programs

The societal stigma against those with a drug problem leads many individuals struggling with opioid addiction to refrain from asking for help. This way of thinking is starting to change, but there's still work to be done. Employers and business leaders have an opportunity to utilize their platform to continue destigmatizing addiction by joining the fight against opioid misuse and facilitating help for those with a problem.

Destigmatizing opioid addiction starts with solid education and internal communications program. Creating documents and internal collateral explaining the widespread nature of the issue and how it affects people is a solid first step. Posting flyers around the office on how to spot addiction will also raise awareness. Education opportunities can take the form of a company-wide seminar or even smaller focus groups that facilitate honest conversations around the issue. Any way organizations can remind their employees of the human side of this epidemic and its widespread implications will help employees understand this complex problem.

¹⁶ <https://www.thecut.com/2017/08/opioid-epidemic-addiction-mental-health.html>



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Discouraging Opioid Abuse With Workers' Compensation

Aside from employee benefits programs, employers need to work with their workers' compensation carriers and brokers to fight the opioid epidemic.

Opioid use is an unfortunate reality for many individuals who suffer a workplace injury, especially if this injury leads to surgery or a chronic condition. According to the MyMatrixx survey, opioids are the most commonly prescribed drug following a workplace injury. They're also extremely costly. Workers' compensation claims are nearly four times more likely to total more than \$100,000 in costs when opioid painkillers are prescribed, according to a 2012 study.¹⁷

While the medical and financial costs of most workplace accidents are covered by an employer's workers' compensation program, employers are still incentivized to help the injured employee get back to work quickly. Despite being short staffed while the employee is hurt, multiple extensive workers' compensation claims can cause an employer's rates to rise significantly.

Thankfully, the workers' compensation insurers and their policyholders have made huge strides in mitigating opioid abuse after a workplace injury. Below are a few techniques for employers to keep in mind when reviewing workers' compensation practices to ensure opioid use doesn't become a chronic issue.

¹⁷http://www.iadcmeetings.mobi/assets/1/7/15.3- Ingram- Opioid_Overuse.pdf

1 Encourage alternative pain management treatment

Opioids are marketed and prescribed as a treatment for pain. And despite being very frequently administered after workplace injuries and surgeries (98.6% of people receive opioids to manage postsurgical pain), there are alternative drugs that can treat pain equally as effectively at a fraction of the cost and potential risk.¹⁸ Nonsteroidal anti-inflammatory drugs like ibuprofen and aspirin are very common pain relievers, along with acetaminophen.¹⁹ Even some anti-depressants and anti-epilepsy medications can help treat acute and chronic pain.

New research from Dr. Erin Krebs of the Minneapolis VA Center recently concluded that opioids generally do not treat pain more effectively than these non-opioid alternatives.²⁰ In some cases, non-opioid treatments actually did a better job alleviating chronic pain.

Certain workers' compensation programs can cater their coverages to only include opioid prescriptions as a last-case scenario. Obviously, there are certain situations where opioids are the best treatment option, but by starting a conversation with their workers' compensation carrier, employers can deter initial and long-term opioid use following a workplace accident.

¹⁸ <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/steps-to-address-opioid-crisis.aspx>

¹⁹ <https://www.goodrx.com/blog/6-alternatives-to-opioids-for-pain/>

²⁰ https://www.minneapolis.va.gov/features/20180306_Opioid_study_IAMA.asp





...certain employer efforts are already starting to make a big difference.

According to MyMatrixx's survey, total employer spending on opioids decreased 11.9% in 2017, and the total number of injured workers that used opioids for more than 30 days decreased from 24.6% in 2016 to 22.0% in 2017.

2 Partner with pharmacy networks that restrict opioid prescription fills

Certain pharmacy groups have also joined the fight against opioid abuse and can serve as great partners to match up with employees. Two of the largest pharmacy networks in the U.S., CVS and WalMart, have both pledged to limit the distribution of opioids by placing restrictions on filling opioid prescriptions in their stores.²¹ Health insurer Cigna has cut opioid use among its members by 25% since 2016 by working with doctor groups and educating on the dangers of overprescribing.²² CVS has also donated 1,550 drug collection disposal units to pharmacies and law enforcement centers across the U.S. to facilitate the safe discarding of opioids and other medications.

Partnering with pharmacy networks and physician groups like these will limit the total amount of opioid doses employees receive and keep excess pills out of the hands of more individuals.

²¹ <https://www.npr.org/sections/thetwo-way/2018/05/08/609442939/walmart-will-implement-new-opioid-prescription-limits-by-end-of-summer>

²² <http://www.businessinsider.com/cigna-cuts-opioid-prescriptions-by-25-2018-3>



3 Utilize medical canvassing to ensure proper opioid use

Medical canvassing is a common practice utilized by workers' compensation claims professionals to monitor a claimant's medical treatment. Typically, these programs scan medical facilities within a certain geographic radius of the claimant's house to ensure they are following their treatment plan as instructed by their physician without seeking outside help.

After a workplace injury, medical canvassing can not only determine when an injured worker gets the help he or she needs, it can also determine when someone might be shopping around for excess opioids. As unfortunate as this situation may be, detecting a potential issue early is key to preventing potential future opioid dependency and getting employees back to work faster.



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4 Proactive claims strategy and review sessions

Mitigating the negative effects of opioid use requires a proactive approach to managing claims. Claims strategy and review meetings that pull together the claims managers, the insurance broker, the employer and claims adjusters can help determine the shortest path to closing a claim. During these meetings, the claims professionals work together to discuss the current status of the claim and brainstorm future action plans.

These sessions have traditionally been reserved for large, complex claims. But when held proactively while a claim is in its infancy, these strategy meetings can shorten the life of a claim and hasten an employee's return to work. This approach is particularly effective when opioids are involved. Considering their highly-addictive nature, it's pertinent to stay on top of the patient's usage and develop a plan to wean them off of their prescriptions in a smooth and timely manner.



The Power Is Yours

Considering the opioid epidemic is so widespread, it can be easy for employers to feel helpless in the fight against it. However, certain employer efforts are already starting to make a big difference. According to MyMatrixx's survey, total employer spending on opioids decreased 11.9% in 2017, and the total number of injured workers that used opioids for more than 30 days decreased from 24.6% in 2016 to 22.0% in 2017.

Employers can no longer afford to take a back seat. By altering their approach to employee benefits and working with their workers' compensation carrier and broker, employers large and small can make a big difference in the fight against opioid abuse.





For more information on how employers can fight opioid abuse in the workplace through employee benefits and workers compensation programs, call us at 1 (877) 861-3220.



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