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BULLETIN

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New CWCI research on the impact of the decline in the use of opioids in California workers' compensation estimates a $6.5 billion savings in projected 10-year costs of 2010 through 2017 lost-time claims due to both lower benefit costs and fewer days of temporary disability when opioids are avoided or limited to acute use.

Opioid use in California workers' compensation peaked a decade ago, when opioids were dispensed in 50 percent of all accident year (AY) 2008 lost-time claims. Since then, these drugs have become far less prevalent in the system, prescribed in just 26 percent of AY 2017 lost-time claims. While many studies over the past decade have documented the declining volume and prevalence of opioids in workers' compensation, the changing mix of opioids used, the strength and duration of the prescriptions dispensed to injured workers, and the effects of various reforms on opioid use, the goal of the study was to answer three questions related to the impact of opioids on claim development and outcomes:

1. What are the trends in both the frequency and intensity of claims with acute and chronic opioid use?
2. To what extent has decreased opioid use driven changes in medical and indemnity cost trends?
3. What is the impact of declining opioid use on benefit payments, days away from work, and systemwide costs?

The study used data from 273,106 lost-time claims in which treatment was initiated within a 10-year period (2008 through 2017), with payment and prescription data on those claims valued through 2018, to determine the association between declining opioid use and reductions in benefit costs and (TD) temporary disability days. Claim payments and indicators of opioid use on the claims were tracked by year for up to 10 years. To get a more accurate read of the relationship between opioid use and claim outcomes at various stages of treatment, the initial treatment date was used as the starting point for each claim development period, which ranged from 3 months to 120 months. Among the findings:

- The proportion of injured workers with lost-time claims receiving opioids within the first 12 months of treatment fell from 49% of workers who were first treated in 2008 to 24 percent of those first treated in 2017, a relative decline of 51%. This partially offset the 11% increase in average benefits paid on lost-time claims with opioid use over the same 10-year span, and the 50% increase in benefit payments on claims without opioid use.

- The prevalence of claims with chronic opioid use (where injured workers received three or more opioid prescriptions, each filled at least three weeks apart, and all filled within four consecutive months) fell from 13 percent of the 2008 claims to 3 percent of the 2017 claims, a relative decline of 77 percent.

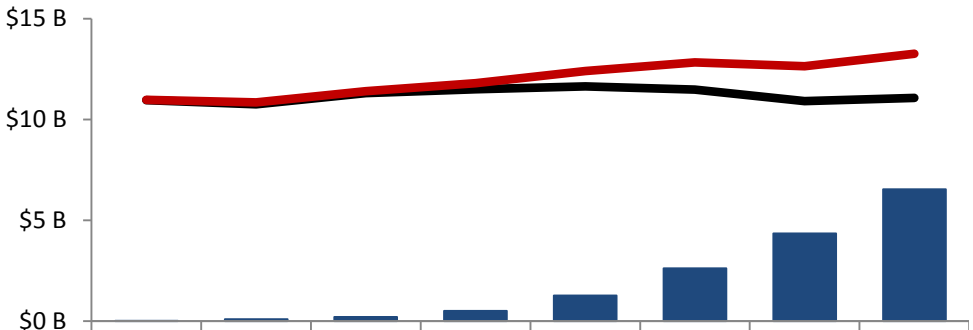
- The prevalence of acute use opioid claims (*i.e.*, all opioid claims other than those with chronic use) fell from about 36 percent of the 2008 claims to about 21 percent of the 2017 claims (a relative decline of 40 percent).

The authors employed regression models to isolate the impact of opioids from other known cost drivers of benefit payments and lost time from work at various stages of claim development. Comparing lost-time claims for the same type of injury with and without opioid use at 12 months and 120 months (10 years) showed:

- Average benefit payments on claims without opioid use were 29.7 percent less than the average for claims with opioids at 12 months and 37.0 percent less at 120 months.
- Claims without opioid use had 25.2 percent fewer TD days than claims with opioid use at 12 months, and 30.2 percent fewer TD days at 120 months.
- Average benefit payments at 12 months on claims with acute opioid use were 28.1 percent less than those on claims with chronic opioid use, while average benefits at 120 months were 35.9 percent less.
- Claims with acute opioid use averaged 27.6 percent fewer TD days at 12 months than claims with chronic opioid use, and 31.3 percent fewer TD days at 120 months.

Applying the estimated savings against the declining opioid trend, the authors projected systemwide savings from the decline in opioid use will reach 16.5 percent for 2017 claims at 10 years of development, with a projected cumulative savings of $6.5 billion for 2010 to 2017 claims.

Impact of Declining Opioid Use on Projected Benefit Payments at 10 Years of Development, 2010-17 Claims



	2010	2011	2012	2013	2014	2015	2016	2017
Cum Savings (2010-17)	$0.0	$0.1	$0.2	$0.5	$1.3	$2.6	$4.4	$6.5
Actual (w/ Opioid Decline)	$11.0	$10.8	$11.3	$11.5	$11.6	$11.5	$10.9	$11.1
Without Opioid Decline	$11.0	$10.8	$11.4	$11.8	$12.4	$12.8	$12.6	$13.3

Given the sharp decline in opioid use in the workers' compensation system over the past decade, there is a question of how much lower opioid utilization can fall. The study concludes that future declines will depend on advances in evidence-based medicine research and treatment guides, medical providers' continued adoption of alternative pain management protocols, continued elimination of fraudulent and abusive provider practice patterns, increased general awareness of the dangers of opioid use, and the outcomes of a growing number of class action lawsuits against opioid manufacturers.

The Institute has published its study in a Report to the Industry, "The Impact of Declining Opioid Use on Lost-Time Development & Claim Development in California Workers' Compensation," which is posted in the Research section at www.cwci.org.

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