Impact of Employee Health on Workers’ Compensation

10/6/2017
Brian Caveney
CMO, BCBSNC
What's the Connection?

$ Lifestyle Behaviors
Why are Health Care Costs Rising?

- Aging population
- Population growth
- New technology
- Prescription drugs (new + price)
- Defensive medicine
- Government mandates

Health care costs rising 6.5% annually

Health Outcomes

Length of Life 50%

Quality of Life 50%

Health Factors

Health Behaviors (30%)

Clinical Care (20%)

Social and Economic Factors (40%)

Physical Environment (10%)

Tobacco Use

Diet & Exercise

Alcohol & Drug Use

Sexual Activity

Access to Care

Quality of Care

Education

Employment

Income

Family & Social Support

Community Safety

Air & Water Quality

Housing & Transit
Medical costs are the “tapeworm of American economic competitiveness”

Warren Buffet, 5/6/2017
Cumulative Increases in Health Insurance Premiums, Workers’ Contributions to Premiums, Inflation, and Workers’ Earnings, 1999-2015

A Bigger Bite of Income

Percent change in middle-income households’ spending on basic needs (2007-2014)

Health care

-20 -15 -10 -5 0 5 10 15 20 25

-18.8 -13.4 -7.6 -6.4 -6.3 -6.0 -3.6

Sources: Brookings Institution analysis of Consumer Expenditure Survey, Labor Department, THE WALL STREET JOURNAL.
Stress & Anxiety

Job factors

Medical & Rx

Stress & Anxiety

F.A.T.

Economy
Finances
Home life
Personal issues

Health factors

Sleep Physical Mental
Employee health status

- **Healthy**: 9%
- **At Risk**: 27%
- **Chronic Low Risk**: 48%
- **Chronic High Risk**: 8%
- **Complex**: 8%

Risk Flow
Poor employee health = increased costs from medical bills, more sick days and lower productivity.

Solution? Change employee behavior – eat better, get more exercise, take their prescription drugs and utilize preventive care.

For years, employers have been doing the same things to try and change employee behaviors like direct mail, payroll stuffers and worksite posters.

“Insanity: Doing the same thing over and over again and expecting different results.”

– Albert Einstein
“If we could give every individual the right amount of nourishment and exercise, not too little and not too much, we would have found the safest way to health.”

Hippocrates, circa 370 BC
Childhood obesity. Don’t take it lightly.

Food Stamps can help. Call 1-888-328-3483 to see if you qualify.

my kinda shoppin’ spree

I’m lovin’ it
Male and Female Differences

Loosening the belt, lowering the bar
Actual versus ideal weight for American men and women, 1990 – 2016

Source: Gallup
Deluding ourselves

% calling themselves “very” or “somewhat” overweight, versus % who are overweight or obese

- 56% in 1990
- 48% in 2004
- 70.4% in 2014

Source: Gallup/ CDC

WAPO.ST/WONKBLOG
Obesity’s Impact on WC Claims

Odds of Incurring an Acute Sprain or Strain

Source: Pollack et al. A J Epi 166(2) 2007
Mean Indemnity Claims Costs, Medical Claims Costs, and Number of Lost Workdays per Claim by Body Mass Index (BMI) Category

Relationship between BMI and Workers’ Comp Costs

Cost Differences in Diabetes and Pre-diabetes

Source: 2017 Internal BCBSNC Data – commercial BoB
OPIOID ABUSERS ARE MORE LIKELY TO LIVE IN THE RURAL SOUTH.

22 out of the top 25 cities for opioid abuse rate are primarily rural and located in Southern states. Opioid abuse rates range from 11.6% of individuals in Wilmington, NC to 7.5% of individuals in Fort Smith, AR who received an opioid prescription. Alabama, Florida, North Carolina, Oklahoma, Tennessee, and Texas have multiple cities that are in the top 25 for opioid abuse rate. The three non-Southern cities in the top 25 are: Terre Haute, IN; Elmira, NY; and Jackson, MI.

**TOP 25 CITIES**

1. Wilmington, NC >11.6%
2. Anniston, AL 11.6%
3. Panama City, FL 11.5%
4. Enid, OK 10.2%
5. Hickory, NC 9.9%
6. Pensacola, FL 9.8%
7. Gadsden, AL 9.1%
8. Montgomery, AL 8.8%
9. Johnson City-Bristol, TN-VA 8.6%
10. Texarkana, TX-AR 8.5%
11. Tuscaloosa, AL 8.2%
12. Jacksonville, NC 8.2%
13. Amarillo, TX 8.1%
14. Terre Haute, IN 8.1%
15. Odessa, TX 8.0%
16. Oklahoma City, OK 8.0%
17. Longview, TX 8.0%
18. Fayetteville, NC 7.9%
19. Evansville-Henderson, IN-KY 7.8%
20. Chattanooga, TN 7.7%
21. Elmira, NY 7.7%
22. Jackson, TN 7.7%
23. Baton Rouge, LA 7.5%
24. Jackson, MI 7.5%
25. Fort Smith, AR 7.5%

Where do they get the Opioids?

- An estimated **52 million** Americans have used prescription drugs for non-medical purposes

Identification of Patients at Risk

Risk Stratification Algorithm is based on:
1. Number of prescriptions filled in the last 90 days
2. Morphine Equivalent Dose
3. Front end platform based risk assessment

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Total Members</th>
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</thead>
<tbody>
<tr>
<td>Total Members</td>
<td>2,513,930</td>
</tr>
<tr>
<td>Non Users</td>
<td>1,989,138 (79%)</td>
</tr>
<tr>
<td>High Risk (3 or more fills in 90 day period with more than a 120 MED)</td>
<td>10,229 (1%)</td>
</tr>
<tr>
<td>Moderate-High Risk (3 or more fills in a 90 day period with an MED of less than 120)</td>
<td>75,064 (3%)</td>
</tr>
<tr>
<td>Moderate Risk (2 fills in a 90 day period with an MED of less than 120)</td>
<td>82,443 (3%)</td>
</tr>
<tr>
<td>Low Risk (1 fill in a 90 day period)</td>
<td>357,056 (14%)</td>
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</table>
Correlations to Dx and Use

### Predictors: Diagnoses

<table>
<thead>
<tr>
<th>HIGH RISK COMPARED TO NON-USERS</th>
<th>ODDS RATIO (p&lt;.001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spondylosis and other back problems</td>
<td>5.3</td>
</tr>
<tr>
<td>Substance Related and Addictive Disorders</td>
<td>4.6</td>
</tr>
<tr>
<td>Sleep-Wake Disorders</td>
<td>2.2</td>
</tr>
<tr>
<td>Depressive Disorders</td>
<td>1.7</td>
</tr>
<tr>
<td>Headache</td>
<td>2.1</td>
</tr>
<tr>
<td>Anxiety Disorders</td>
<td>1.5</td>
</tr>
</tbody>
</table>

### Predictors: Utilization

<table>
<thead>
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<th>HIGH RISK COMPARED TO NON-USERS</th>
<th>ODDS RATIO (p&lt;.001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substance Abuse Services</td>
<td>4.5</td>
</tr>
<tr>
<td>Anesthesia</td>
<td>4.2</td>
</tr>
<tr>
<td>ER</td>
<td>3.2</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>2.3</td>
</tr>
<tr>
<td>Surgery</td>
<td>2.0</td>
</tr>
<tr>
<td>OP Surgery</td>
<td>1.3</td>
</tr>
</tbody>
</table>
# Opioid Use Management

## Prevention/Education
- Provider education on portal
- 100% Coverage for alcohol/drug screening
- Quarterly letters to providers sharing potential abuse
- Screening during case management enrollment

## Control/Limit Use
- PA/QL on all extended release opiates
- Drug testing in pain management/substance abuse treatment (medical policy)
- Pharmacogenetic testing for drug metabolism (medical policy)
- Claims edits

## Addiction treatment
- 24 hour phone line
- Network of Substance abuse professionals and facilities
- Medication Assisted Therapy Coverage
- TROSA substance abuse recovery center funding
Opioid Considerations

- STOP Act in North Carolina
- Standing order for Naloxone
- Fraud, Waste & Abuse Investigations
- Out of state marketing efforts
- Take Back Boxes
- Network expansion
- Drug costs
- EAP programs
- Drug Free Workplace Program
- “Goldman Sachs thinks the opioid crisis is so bad it’s affecting the economy” © cnbc.com 7/6/2017
Mental Health & Substance Use Disorders Were the Leading Cause of Disease Burden in the US in 2015

Disability adjusted life years (DALYs) rate per 100,000 population

- Mental Health & Substance Use Disorders: 3,355
- Cancers & Tumors: 3,131
- Cardiovascular Disease: 3,065
- Injuries: 2,419
- Musculoskeletal Disorders: 2,357
- Endocrine (e.g., Diabetes): 1,827
- Nervous System: 1,463
- Chronic Respiratory Diseases: 1,050

http://jamanetwork.com/journals/jama/fullarticle/2646703
Create an Integrated Strategy

Employees

- Disability
- Safety
- Occ health
- Mgmt
- Food
- HR / Benefits
- Legal
- Health plan
- Operations
- Facilities

Create an
Integrated Strategy
Issues Relevant to Advancing Worker Well-being Through Total Worker Health®

Control of Hazards and Exposures
- Chemicals
- Physical Agents
- Biological Agents
- Psychosocial Factors
- Human Factors
- Risk Assessment and Risk Management

Organization of Work
- Fatigue and Stress Prevention
- Work Intensification Prevention
- Safe Staffing
- Overtime Management
- Healthier Shift Work
- Reduction of Risks from Long Work Hours
- Flexible Work Arrangements
- Adequate Meal and Rest Breaks

Built Environment Supports
- Healthy Air Quality
- Access to Healthy, Affordable Food Options
- Safe and Clean Restroom Facilities
- Safe, Clean and Equipped Eating Facilities
- Safe Access to the Workplace
- Environments Designed to Accommodate Worker Diversity

Leadership
- Shared Commitment to Safety, Health, and Well-Being
- Supportive Managers, Supervisors, and Executives
- Responsible Business Decision-Making
- Meaningful Work and Engagement
- Worker Recognition and Respect

Compensation and Benefits
- Adequate Wages and Prevention of Wage Theft
- Equitable Performance Appraisals and Promotion
- Work-Life Programs
- Paid Time Off (Sick, Vacation, Caregiving)
- Disability Insurance (Short- & Long-Term)
- Workers’ Compensation Benefits
- Affordable, Comprehensive Healthcare and Life Insurance
- Prevention of Cost Shifting between Payers (Workers’ Compensation, Health Insurance)
- Retirement Planning and Benefits
- Chronic Disease Prevention and Disease Management
- Access to Confidential, Quality Healthcare Services
- Career and Skills Development

Changing Workforce Demographics
- Multigenerational and Diverse Workforce
- Aging Workforce and Older Workers
- Vulnerable Worker Populations
- Workers with Disabilities
- Occupational Health Disparities
- Increasing Number of Small Employers
- Global and Multinational Workforce

Policy Issues
- Health Information Privacy
- Reasonable Accommodations
- Return-to-Work
- Equal Employment Opportunity
- Family and Medical Leave
- Elimination of Bullying, Violence, Harassment, and Discrimination
- Prevention of Stressful Job Monitoring Practices
- Worker-Centered Organizational Policies
- Promoting Productive Aging

Community Supports
- Healthy Community Design
- Safe, Healthy and Affordable Housing Options
- Safe and Clean Environment (Air and Water Quality, Noise Levels, Tobacco-Free Policies)
- Access to Safe Green Spaces and Non-Motorized Pathways
- Access to Affordable, Quality Healthcare and Well-Being Resources

New Employment Patterns
- Contracting and Subcontracting
- Precarious and Contingent Employment
- Multi-Employer Worksites
- Organizational Restructuring, Downsizing and Mergers
- Financial and Job Security

November 2015
Total Worker Health® is a registered trademark of the US Department of Health and Human Services
TWH® Hierarchy of Controls

Source: https://www.cdc.gov/niosh/twh/letsgetstarted.html
Think about your employees’ total health