



**Medical Data Report**  
**Opioid Utilization Supplement**

For the state of

**SOUTH DAKOTA**

September 2018



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## Introduction

Prescription opioids are a class of drugs used to treat moderate to severe pain, particularly chronic intractable pain. Opioid addiction and overdose have reached epidemic levels over the past decade. According to the U.S. Department of Health and Human Services<sup>1</sup>, 11.5 million Americans misused prescription opioids in 2016, resulting in 116 deaths from an opioid-related overdose every day. The Centers for Disease Control and Prevention (CDC)<sup>2</sup> reports that 40% of opioid overdose deaths in 2016 involved a prescription opioid.

The opioid epidemic in the United States has a far-reaching impact on the workers compensation (WC) system. NCCI data shows that the average cost of prescriptions for claims with an opioid prescription is four times the average cost of a nonopioid claim. One quarter of all prescription spending in the WC system is on opioids.

In response to the opioid crisis, many states have established laws and regulations to address opioid prescribing patterns for the population at large as well as in workers compensation. This Opioid Utilization Supplement is a data source for regulators and others who are interested in monitoring opioid utilization in workers compensation. The information in this report provides important benchmarks and gives valuable insight into the opioid prescribing patterns of the WC system.

Each calendar year, NCCI produces, publishes, and delivers the *South Dakota Medical Data Report* to regulators, which is also made available to authenticated users on [ncci.com](http://ncci.com). This publication is a supplement to the Medical Data Report and is intended to serve as a data resource for regulators and others who are interested in the prescription drug component of medical costs in workers compensation claims. Specifically, this report focuses on opioid prescriptions costs and utilization rates at the aggregate level for state, regional, and countrywide analysis. It is delivered to regulators along with the Medical Data Report and is available on [ncci.com](http://ncci.com).

This report has five sections:

- Prescription Drug Statistics
- Opioid Claim Statistics
- Concurrent Use of Opioids and Benzodiazepines
- Changes in Opioid Prescribing Patterns
- Oxycodone Pill Equivalents

The report drills down on these sections to provide details on payments and prescribing patterns.

Unless otherwise noted, the source for all data in this report is the NCCI Medical Data Call, Service Year (SY) 2017. Region includes data from the following states: IA, IL, IN, KS, MI, MN, MO, NE, OK, and WI. Countrywide includes data from the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

One important caveat: Information in this report may not coincide with an analysis of a legislative provision or rule change performed in the future. Such an analysis would require evaluation of the specific drugs covered by the rule, which may be different from the way that payments or prescriptions for the drugs are categorized in this report.

<sup>1</sup> [www.hhs.gov/opioids/about-the-epidemic/index.html](http://www.hhs.gov/opioids/about-the-epidemic/index.html)

<sup>2</sup> [www.cdc.gov/drugoverdose/index.html](http://www.cdc.gov/drugoverdose/index.html)



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## Prescription Drug Statistics

According to NCCI’s research<sup>3</sup>, the narcotics oxycodone and hydrocodone bitartrate-acetaminophen (commonly known as Oxycontin® and Vicodin®, respectively) were among the most widely prescribed drugs in workers compensation for SY 2016.

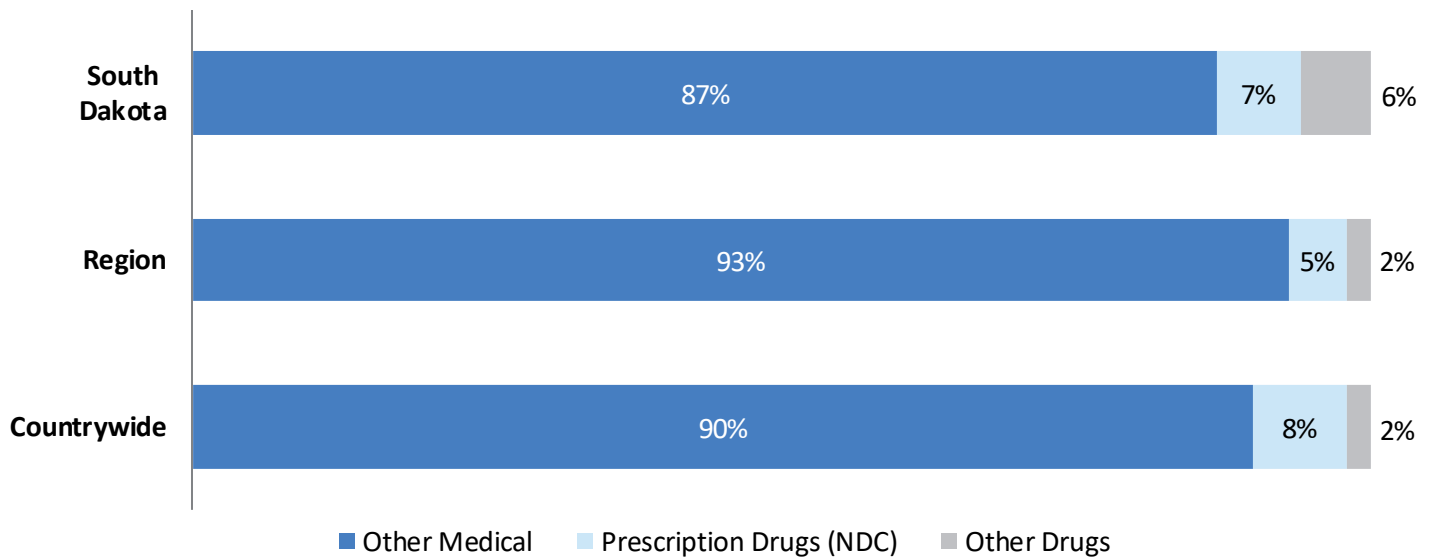
Drugs are uniquely identified by a national drug code (NDC). Charts 1 through 3 provide greater detail on payments for prescription drugs reported with an NDC, whether the drugs were provided in a pharmacy, physician’s office, hospital, or other place of service. Payments are categorized as drugs if the code reported on the transaction is an NDC. Drug payments can also be reported using codes other than NDCs, such as revenue codes, Healthcare Common Procedure Coding System (HCPCS) codes, and other state-specific procedure codes. These are referred to as “Other Drugs” in Chart 1.

For SY 2017, South Dakota spent \$4 million on 21,000 prescriptions for workers compensation claims.

Chart 1 displays the prescription drug shares of medical payments for South Dakota, the region, and countrywide in 2017.

**Chart 1**

**Drug Share of Medical Payments**



<sup>3</sup> “Opioids—Killer Pain Relief”, presented at (*Annual Issues Symposium*, May 2018)



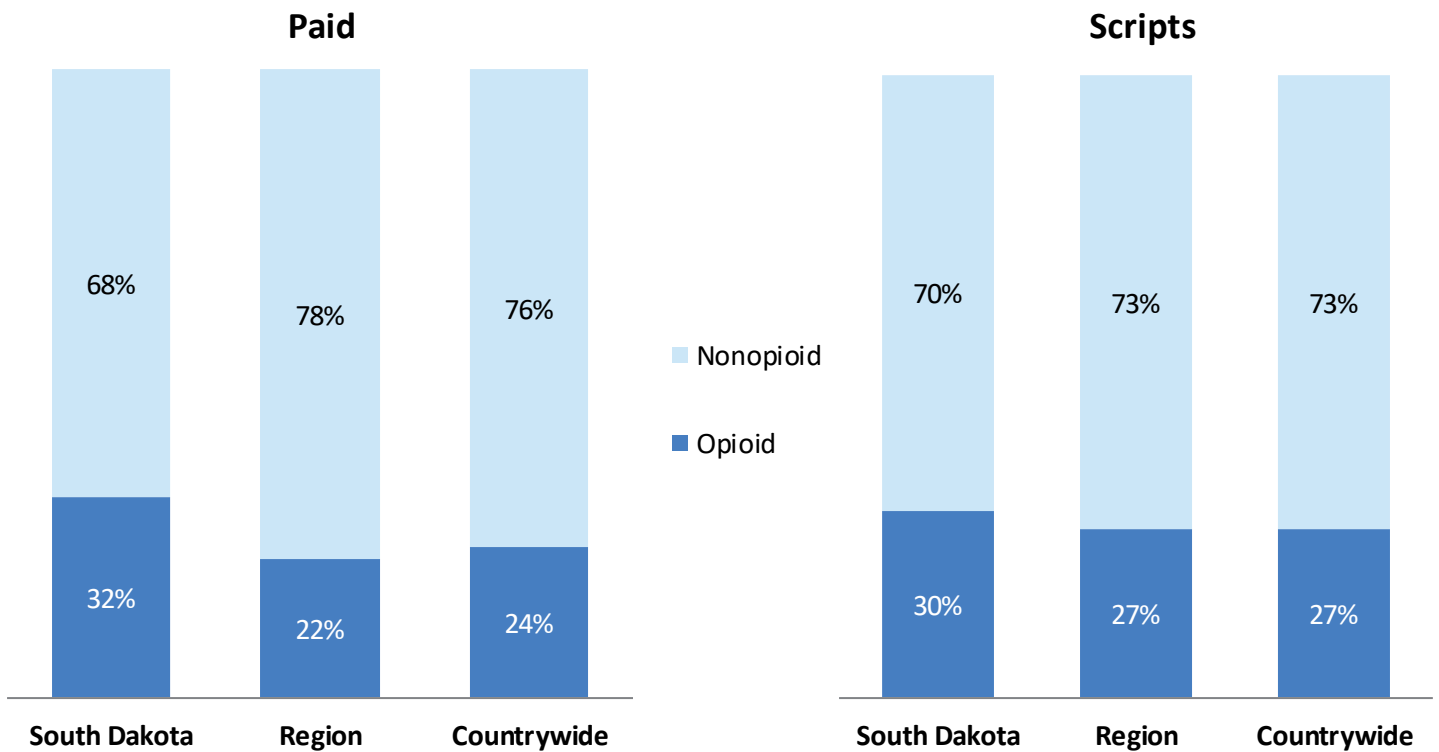
The results in the charts that follow are based only on payments reported with an NDC.

In 2017, South Dakota spent \$1 million on 6,000 opioid prescriptions; 5 of the top 10 drugs by amount paid are opioids and account for 20% of drug payments.

Chart 2 shows the proportion of drug payments and prescription counts for opioids in South Dakota, the region, and countrywide.

**Chart 2**

**Distribution of Drugs by Opioid and Nonopioid**



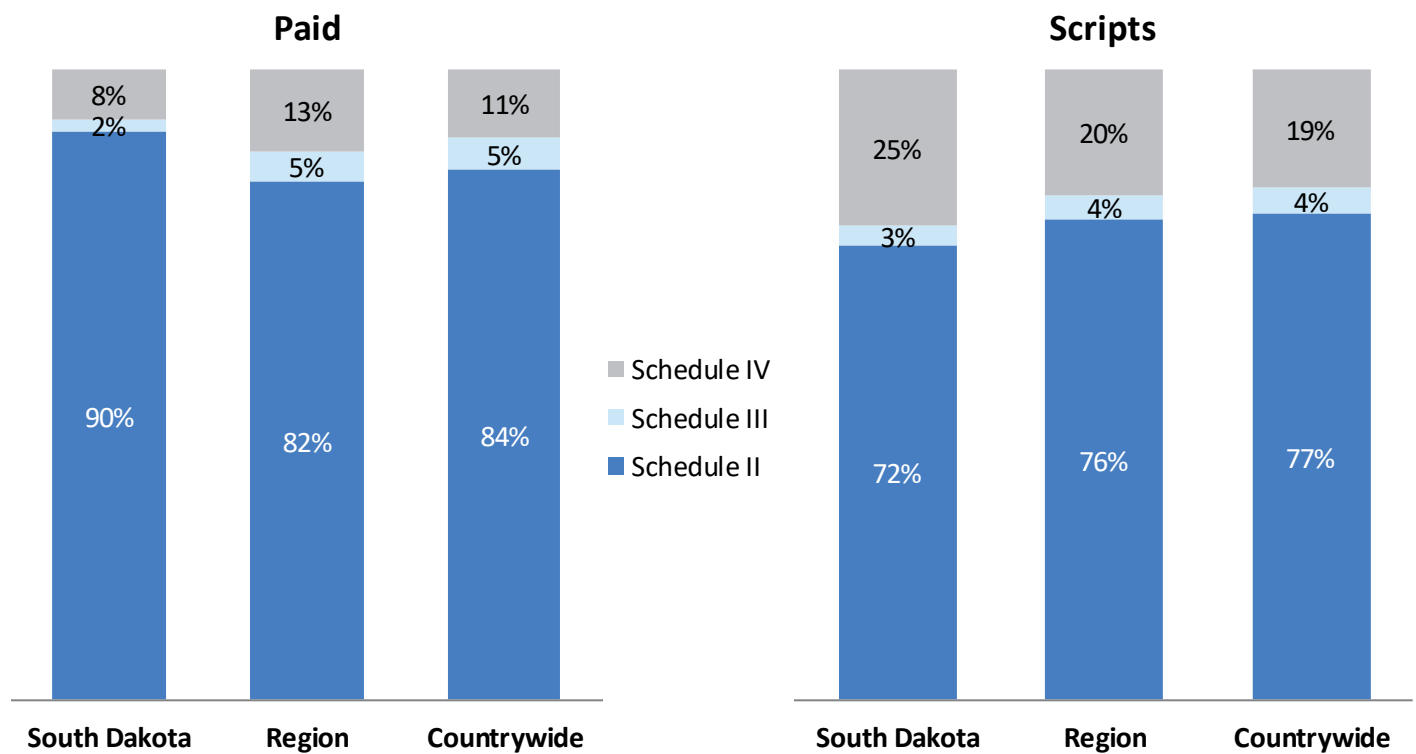
Opioids are subject to the Controlled Substance Act (CSA), passed in 1970 to regulate the manufacture, distribution, possession, and use of certain drugs. Five controlled substance schedules, or groups, are determined by varying qualifications, such as the drug’s medical uses, if any, and its potential for abuse. For example, Schedule V drugs, such as codeine, are defined as having the lowest potential for abuse, while Schedule I drugs, such as heroin, are illegal at the federal level and are defined as having no currently accepted medical uses and a high potential for abuse.

According to the Diversion Control Division of the Drug Enforcement Administration,<sup>4</sup> schedule drug prescribing must adhere to certain rules. A prescription for a schedule drug must be written in ink or indelible pencil or typewritten and must be manually signed by the practitioner or their designee. A Schedule II prescription must be signed by the practitioner. While prescriptions for Schedules III and IV controlled substances may be refilled up to five times in six months, a Schedule II prescription may not be refilled, requiring a new prescription to be issued each time.

Opioids are largely Schedule II and Schedule III drugs. Chart 3 shows the percentage of opioid payments and opioid prescriptions by schedule<sup>5</sup> for South Dakota, the region, and countrywide.

**Chart 3**

**Distribution of Opioids by 2018 Drug Schedule**



<sup>4</sup> [www.deadiversion.usdoj.gov/faq/prescriptions.htm#rx-2](http://www.deadiversion.usdoj.gov/faq/prescriptions.htm#rx-2)

<sup>5</sup> Schedule assignment reflects the DEA’s schedule as of 2018.

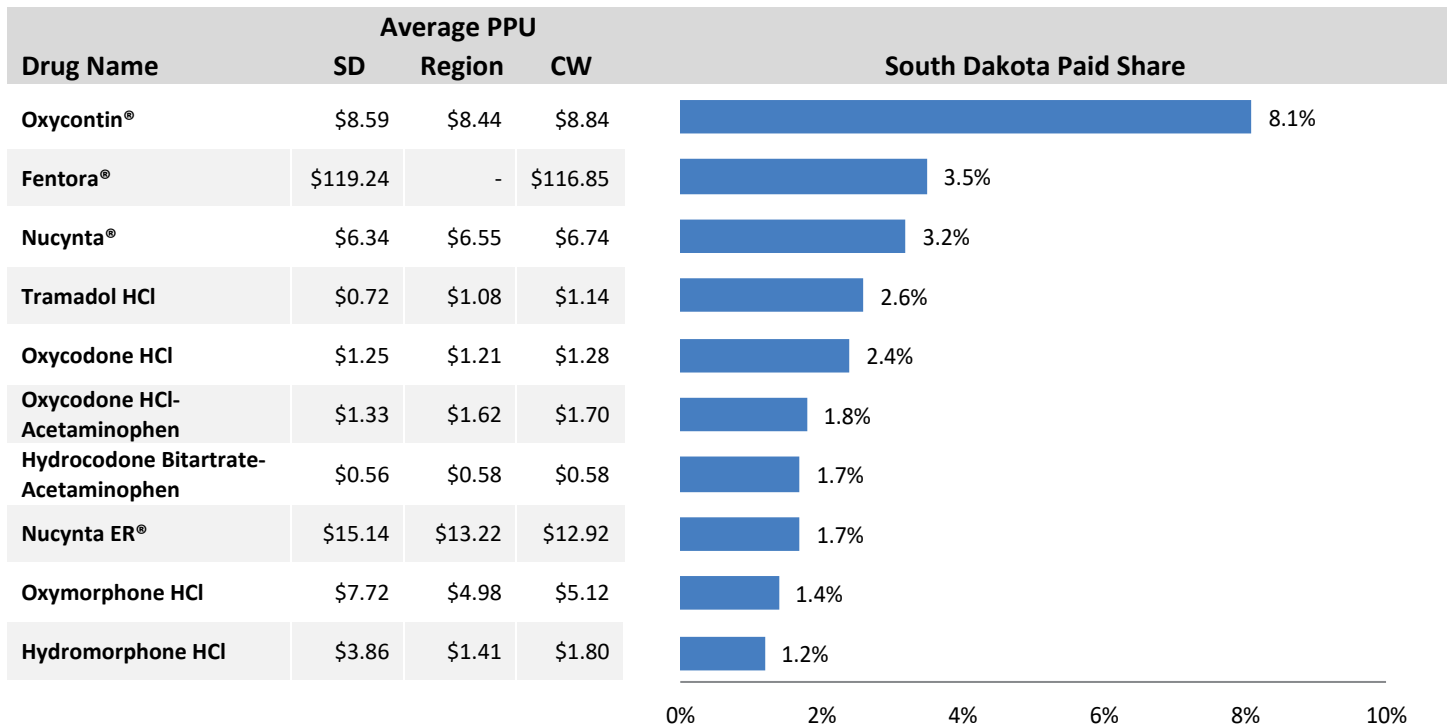


Charts 4 and 5 provide greater detail on payments for opioid prescriptions in South Dakota.

Chart 4 displays the shares of the payments of prescription medication for the top 10 WC opioids and whether the drugs are generic (G) or brand name (B). This ranking method shows which drugs have the highest percentage share of payments. Also included is the amount paid per unit (PPU), common brand name, CSA schedule and countrywide (CW) rank.

### Chart 4

#### Top 10 Workers Compensation Opioid Drugs by Amount Paid for South Dakota



Drug Name	B/G	Common Brand Name	CSA Schedule	CW Rank
Oxycontin®	B	N/A	II	1
Fentora®	B	N/A	II	19
Nucynta®	B	N/A	II	7
Tramadol HCl	G	Ultram®	IV	3
Oxycodone HCl	G	Oxycontin®	II	4
Oxycodone HCl-Acetaminophen	G	Percocet®	II	2
Hydrocodone Bitartrate-Acetaminophen	G	Vicodin®	II	5
Nucynta ER®	B	N/A	II	9
Oxymorphone HCl	G	Opana®	II	13
Hydromorphone HCl	G	Dilaudid®	II	15

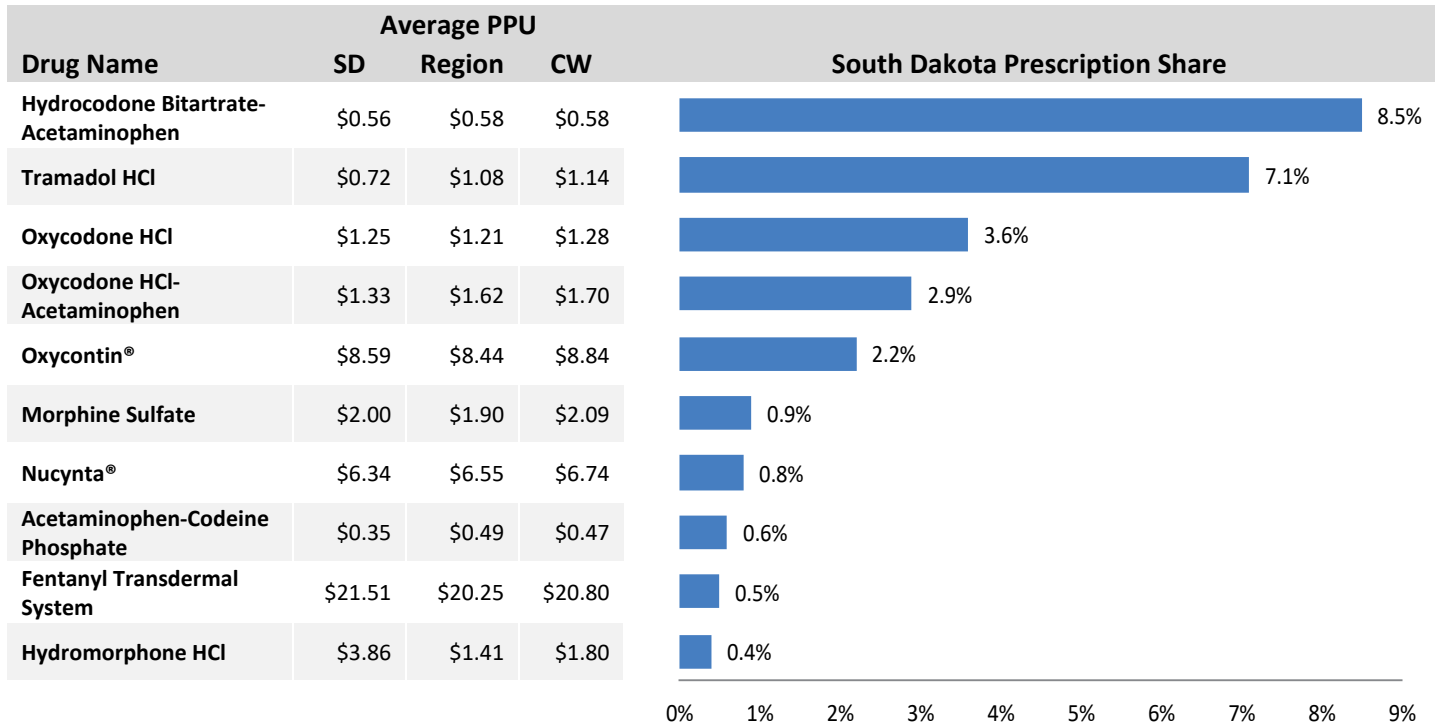




Chart 5 displays the top 10 WC opioids according to the number of prescriptions. This chart reveals the most frequently prescribed opioids and the amount paid per unit.

### Chart 5

#### Top 10 Workers Compensation Opioid Drugs by Prescription Counts for South Dakota



Drug Name	B/G	Common Brand Name	CSA Schedule	CW Rank
Hydrocodone Bitartrate-Acetaminophen	G	Vicodin®	II	1
Tramadol HCl	G	Ultram®	IV	2
Oxycodone HCl	G	Oxycontin®	II	4
Oxycodone HCl-Acetaminophen	G	Percocet®	II	3
Oxycontin®	B	N/A	II	5
Morphine Sulfate	G	Duramorph®	II	6
Nucynta®	B	N/A	II	9
Acetaminophen-Codeine Phosphate	G	Tylenol® with Codeine #3	III	7
Fentanyl Transdermal System	G	Duragesic®	II	10
Hydromorphone HCl	G	Dilaudid®	II	8

## Opioid Claim Statistics

In addition to providing information on workers compensation claims with opioids, this report also provides information on workers compensation claims with concurrent use of opioids and benzodiazepines (benzos). A benzo, typically a Schedule IV drug, produces central nervous system depression (as do opioids) and is most commonly used to treat insomnia and anxiety. Two examples of widely used benzos are Xanax® and Ativan®.

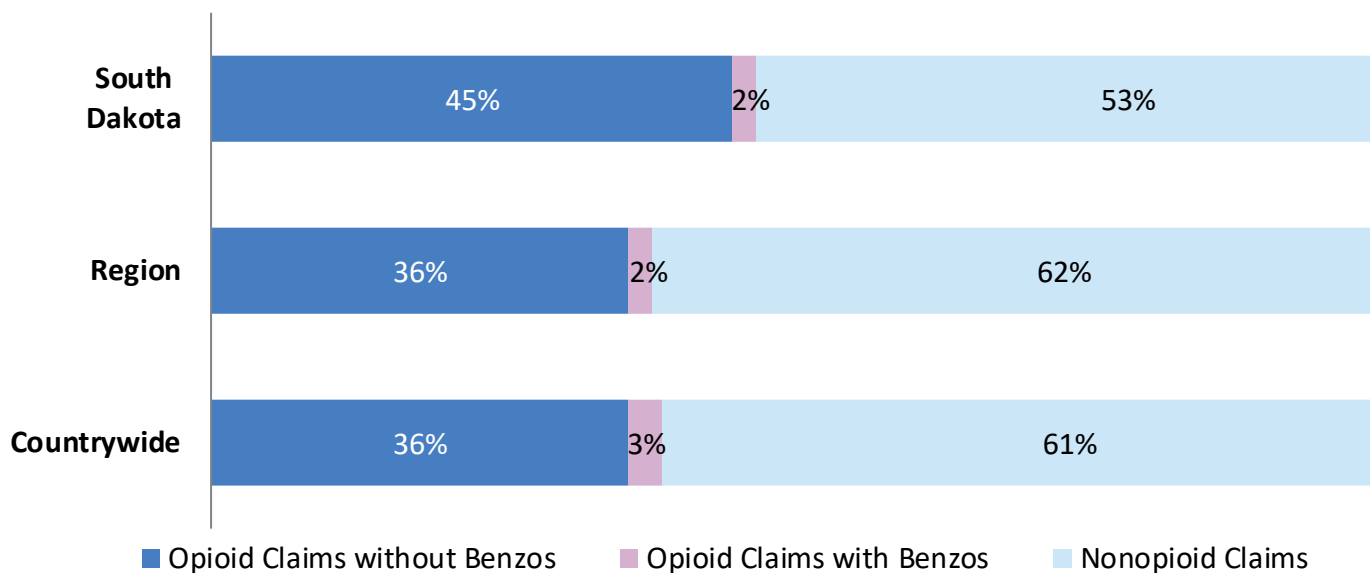
Several types of workers compensation claims are referenced in this report:

- **Rx claim**—A WC claim that had at least one prescription during the period
- **Opioid claim**—A WC claim that had at least one opioid prescription during the period
- **Nonopioid claim**—A WC claim that had at least one prescription but no opioids during the period
- **Opioid claim with benzos**—A WC claim that had at least one opioid prescription and at least one benzo prescription during the period
- **Opioid claim without benzos**—A WC claim that had at least one opioid prescription and no benzo prescriptions during the period

Chart 6 displays the distribution of Rx claims for South Dakota, the region, and countrywide for SY 2017.

**Chart 6**

**Rx Claim Distributions**



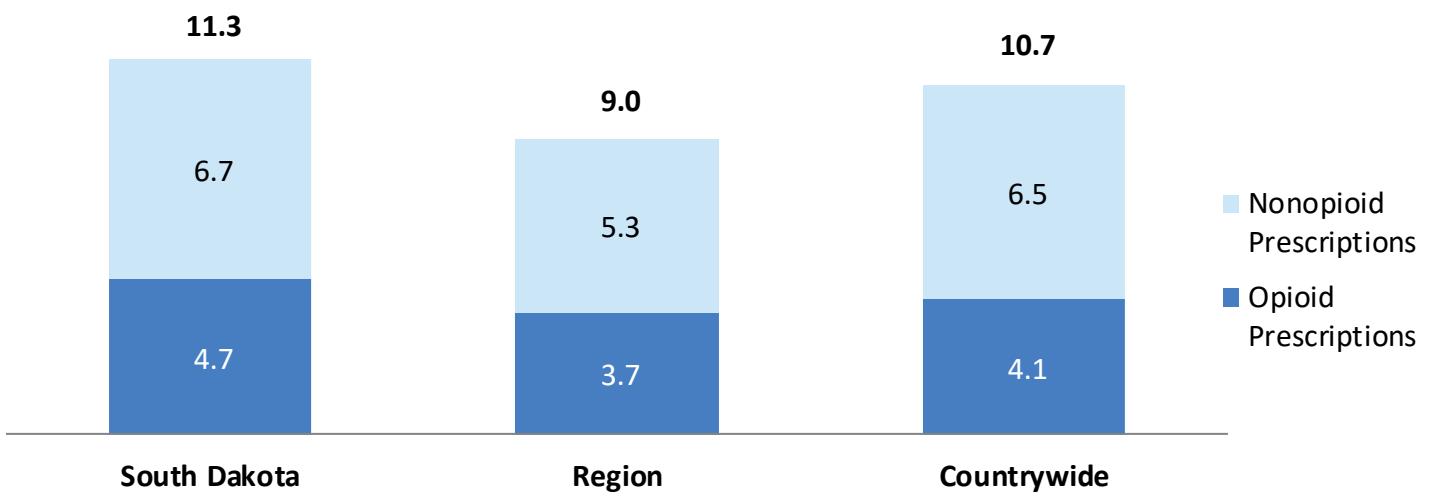


Injured workers who have been prescribed opioids are, on average, prescribed a greater number of prescriptions than those who have not. In South Dakota, a nonopioid claim has an average number of 3.8 prescriptions in SY 2017 compared to 2.8 in the region and 3.2 countrywide.

Charts 7 and 8 show the average number of opioid and nonopioid prescriptions per opioid claim and the average amount paid per opioid claim for South Dakota, the region, and countrywide.

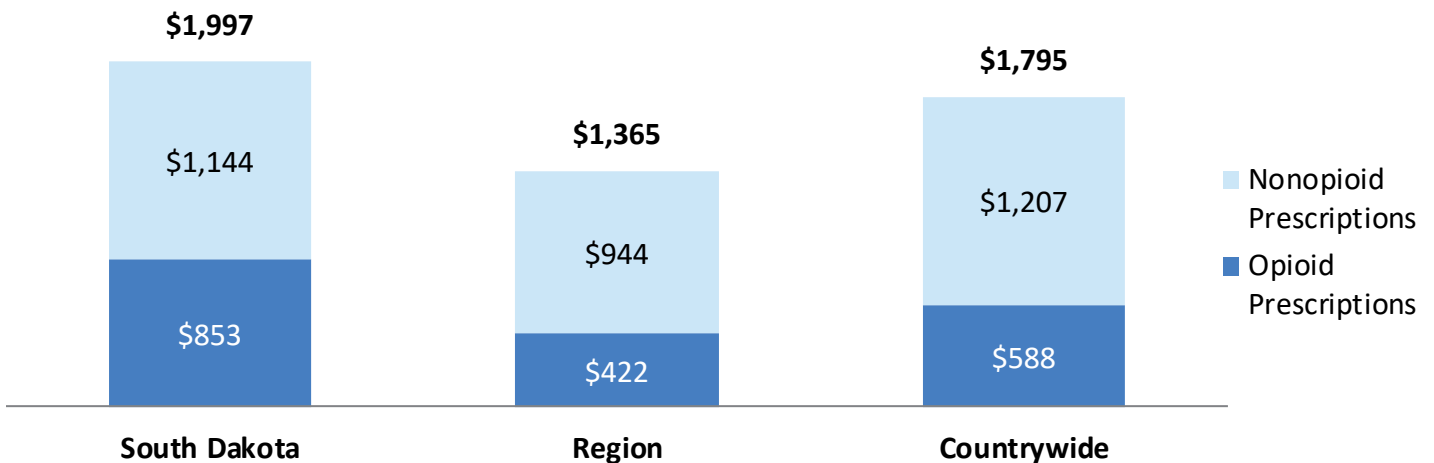
### Chart 7

#### Average Number of Prescriptions per Opioid Claim



### Chart 8

#### Average Amount Paid for Prescription Drugs per Opioid Claim





Opioid claims may involve a different mix of nonopioid prescriptions when compared to nonopioid claims. Chart 9 shows the top five nonopioid drugs by amount paid for nonopioid claims. Chart 10 shows the top five nonopioid drugs by amount paid for opioid claims.

### Chart 9

#### Top 5 Nonopioid Drugs for Nonopioid Claims by Amount Paid for South Dakota<sup>6</sup>

Drug Name	Common Brand Name	B/G	% of Nonopioid Drug Payments	PPU SD	PPU Region	PPU Countrywide
Lyricea®	N/A	B	24.8%	\$7.09	\$7.08	\$7.10
Duloxetine HCl	Cymbalta®	G	7.3%	\$4.73	\$4.96	\$5.18
Gabapentin	Neurontin®	G	4.9%	\$1.00	\$1.11	\$1.18
Meloxicam	Mobic®	G	3.5%	\$2.84	\$3.19	\$3.25
Lidocaine	Lidoderm®	G	3.2%	\$6.05	\$6.95	\$7.04

### Chart 10

#### Top 5 Nonopioid Drugs for Opioid Claims by Amount Paid for South Dakota<sup>7</sup>

Drug Name	Common Brand Name	B/G	% of Nonopioid Drug Payments	PPU SD	PPU Region	PPU Countrywide
Lyricea®	N/A	B	23.5%	\$7.09	\$7.08	\$7.10
Duloxetine HCl	Cymbalta®	G	7.0%	\$4.73	\$4.96	\$5.18
Gabapentin	Neurontin®	G	6.7%	\$1.00	\$1.11	\$1.18
Lidocaine	Lidoderm®	G	4.9%	\$6.05	\$6.95	\$7.04
Baclofen	Liotesal®	G	3.3%	\$1.78	\$1.88	\$1.91

<sup>6</sup> "% of Nonopioid Drug Payments" is the share of nonopioid drug payments in nonopioid claims

<sup>7</sup> "% of Nonopioid Drug Payments" is the share of nonopioid drug payments in opioid claims

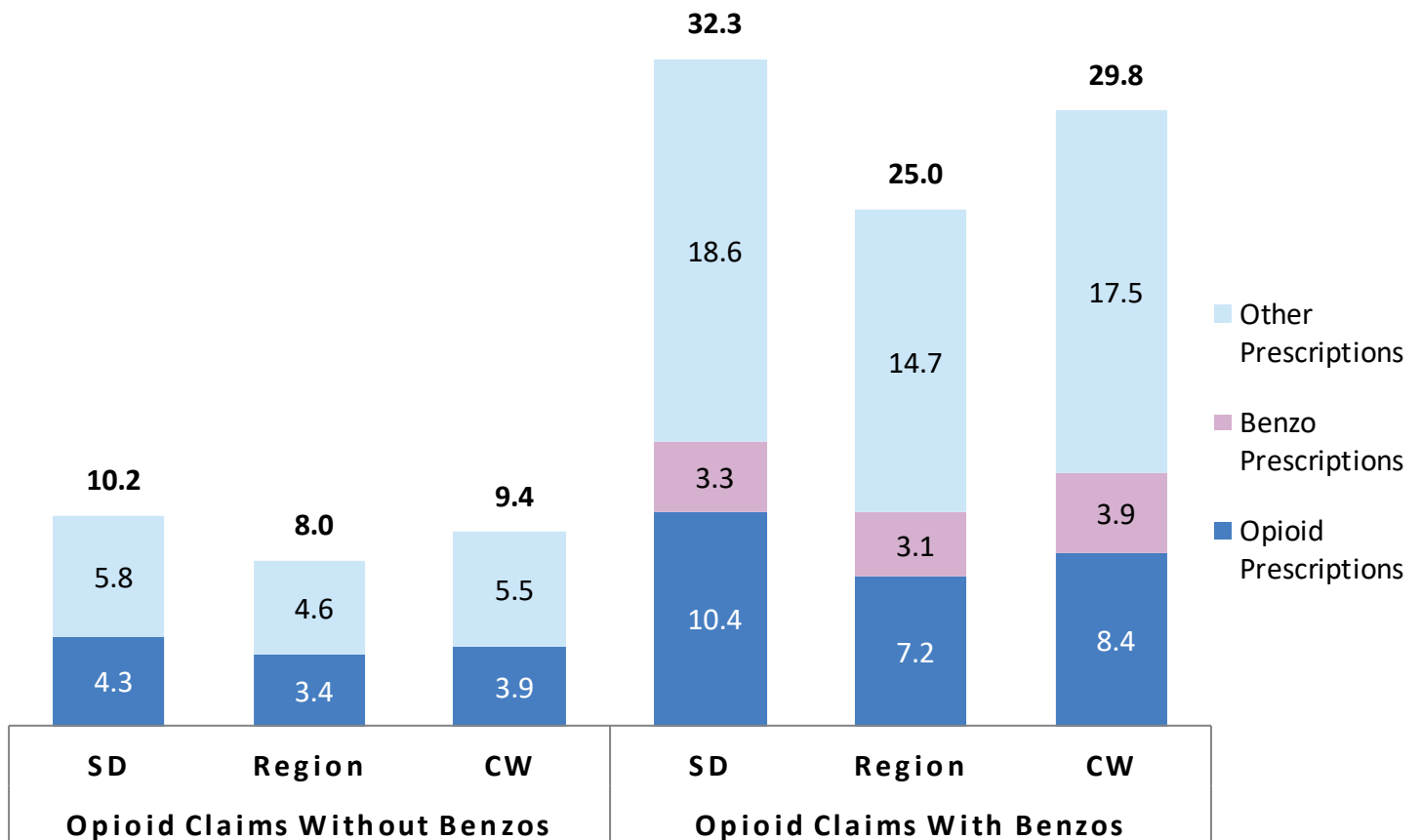
## Concurrent Use of Opioids and Benzodiazepines

According to a study<sup>8</sup> on opioid abuse published by *The British Medical Journal*, of “2,400 veterans in the population who died because of a drug overdose while taking opioid painkiller prescriptions, 49% had been concurrently prescribed benzodiazepines.” In workers compensation, the number of injured workers who are concurrently prescribed both an opioid and a benzo is relatively small. However, the number of prescription drugs and their associated costs for those injured workers are considerably higher than for workers who are not prescribed benzos.

Chart 11 displays the average number of opioid, benzo, and other types of prescriptions for opioid claims with and without benzos for South Dakota, the region, and countrywide.

**Chart 11**

**Average Number of Prescriptions by Claim Type**



<sup>8</sup> "Dangers of Mixing Opiates and Benzodiazepines: Vicodin, Xanax, Oxycodone, and Valium." American Addiction Centers. N.p., n.d. Web, 16 Nov. 2016.



Chart 12 shows the top five benzos concurrently used with opioids for South Dakota, along with the PPU for South Dakota, the region, and countrywide.

### Chart 12

#### Top 5 Workers Compensation Benzos by Amount Paid for South Dakota

Drug Name	Common Brand Name	B/G	% of Benzo Payments	PPU SD	PPU Region	PPU Countrywide
Lorazepam	Ativan®	G	30.4%	\$0.91	\$0.58	\$0.59
Triazolam	Halcion®	G	20.8%	\$2.83	\$2.36	\$2.53
Diazepam	Valium®	G	9.9%	\$0.18	\$0.19	\$0.19
Alprazolam	Xanax®	G	7.0%	\$0.87	\$0.76	\$0.75
Midazolam HCl Novaplus®	N/A	B	4.4%	\$1.09	\$0.32	\$0.34



To delve further into the “Other Prescriptions” (i.e. nonopioid, nonbenzo drugs) shown in Chart 11 above, Chart 13 shows the top five other drugs by amount paid for opioid claims without a benzo, while Chart 14 shows the top five other drugs by amount paid for opioid claims with benzos.

**Chart 13**

**Top 5 Other Drugs for Opioid Claims without a Benzo by Amount Paid for South Dakota<sup>9</sup>**

Drug Name	Common Brand Name	B/G	% of Other Drug Payments	PPU SD	PPU Region	PPU Countrywide
Lyrica®	N/A	B	24.1%	\$7.09	\$7.08	\$7.10
Duloxetine HCl	Cymbalta®	G	7.1%	\$4.73	\$4.96	\$5.18
Gabapentin	Neurontin®	G	6.8%	\$1.00	\$1.11	\$1.18
Lidocaine	Lidoderm®	G	5.5%	\$6.05	\$6.95	\$7.04
Baclofen	Lioresal®	G	3.0%	\$1.78	\$1.88	\$1.91

**Chart 14**

**Top 5 Other Drugs for Opioid Claims with Benzos by Amount Paid for South Dakota<sup>10</sup>**

Drug Name	Common Brand Name	B/G	% of Other Drug Payments	PPU SD	PPU Region	PPU Countrywide
Lyrica®	N/A	B	20.2%	\$7.09	\$7.08	\$7.10
Duloxetine HCl	Cymbalta®	G	6.7%	\$4.73	\$4.96	\$5.18
Gabapentin	Neurontin®	G	6.3%	\$1.00	\$1.11	\$1.18
Movantik®	N/A	B	6.3%	\$11.18	\$11.14	\$11.25
Baclofen	Lioresal®	G	4.9%	\$1.78	\$1.88	\$1.91

<sup>9</sup> “% of Other Drug Payments” is the share of other drug payments in opioid claims *without* a benzo

<sup>10</sup> “% of Other Drug Payments” is the share of other drug payments in opioid claims *with* a benzo

## Changes in Opioid Prescribing Patterns

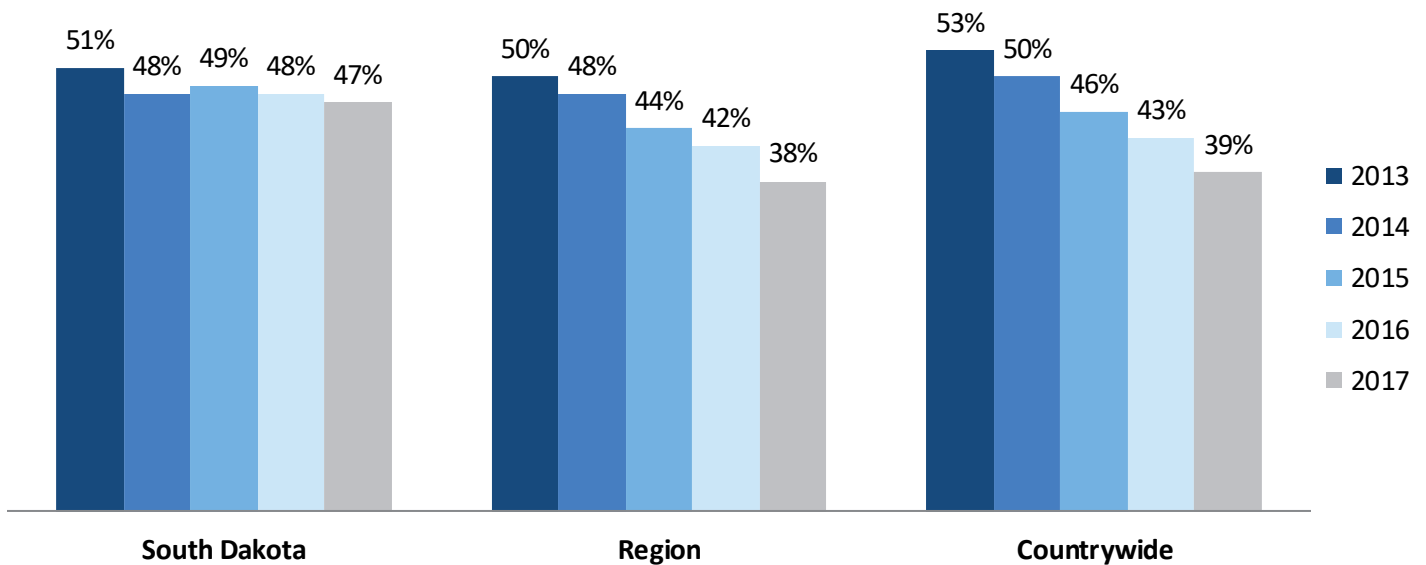
According to the U.S. Department of Health & Human Services (HHS)<sup>11</sup>, “Our nation is in the midst of an unprecedented opioid epidemic.” One initiative the HHS is using to target this problem is improving prescribing practices. In March 2016, the CDC released its *Guideline for Prescribing Opioids for Chronic Pain*, which provides recommendations for the prescribing of opioid pain medication for patients 18 and older in primary care settings.

Lower prescribing patterns for workers compensation claims reflect concerted efforts by the various stakeholders to respond to the opioid crisis—through rules used by regulatory agencies, guidelines for prescribing opioids, or greater attention paid by the prescribing physicians and employers to the injured workers with prescriptions.

Chart 15 shows the share of opioid claims over the latest five service years for South Dakota, the region, and countrywide.

**Chart 15**

### Share of Drug Claims with At Least One Opioid Prescription by Service Year



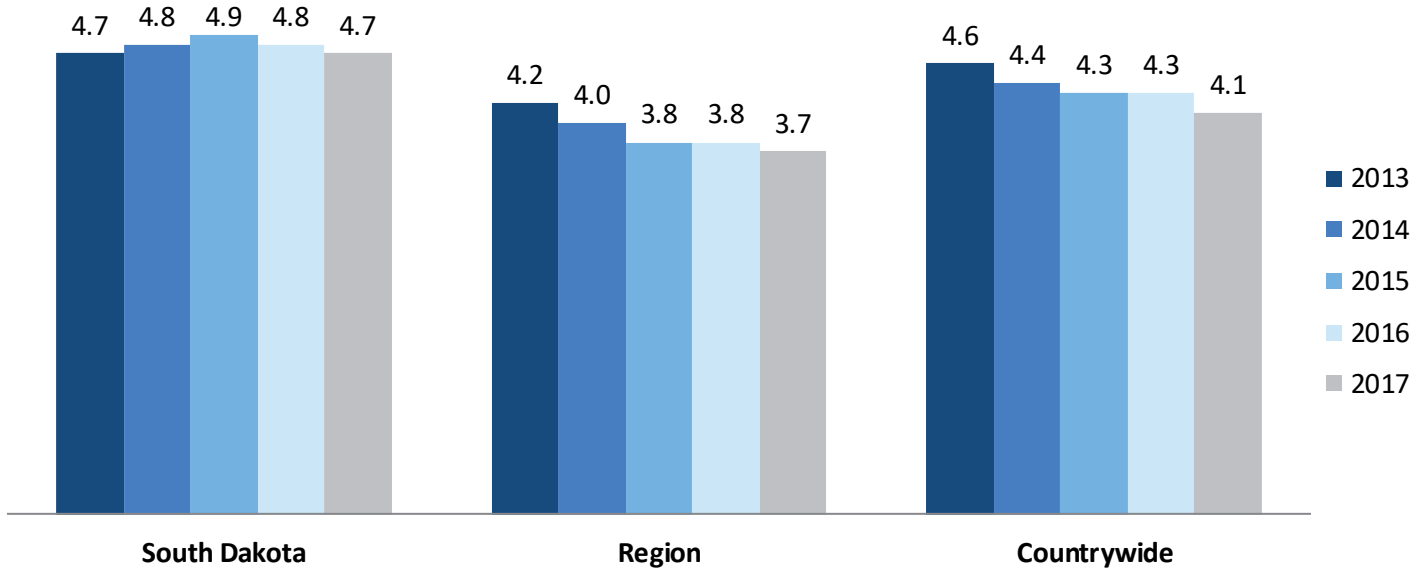
<sup>11</sup> The Opioid Epidemic: By the Numbers, HHS Factsheet, June 2016



Chart 16 reflects the change in the average number of opioid prescriptions per opioid claim over the latest five service years in South Dakota, the region, and countrywide.

### Chart 16

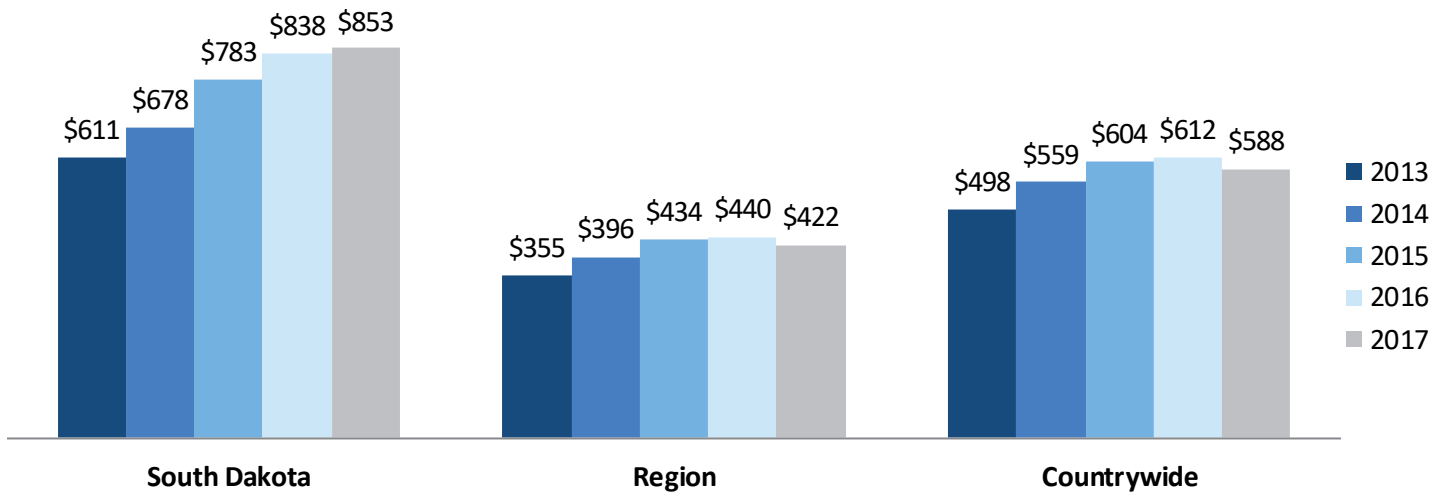
#### Average Number of Opioid Prescriptions per Opioid Claim by Service Year



NCCI data<sup>12</sup> shows that average opioid prices have increased 34% between SYs 2012 and 2016, while opioid use has decreased by 32%. As a result, opioid payments per active claims have decreased by 9% over that period. Charts 17 and 18 display the change in the average opioid payment per opioid claim and per opioid prescription over the last five service years for South Dakota, the region, and countrywide.

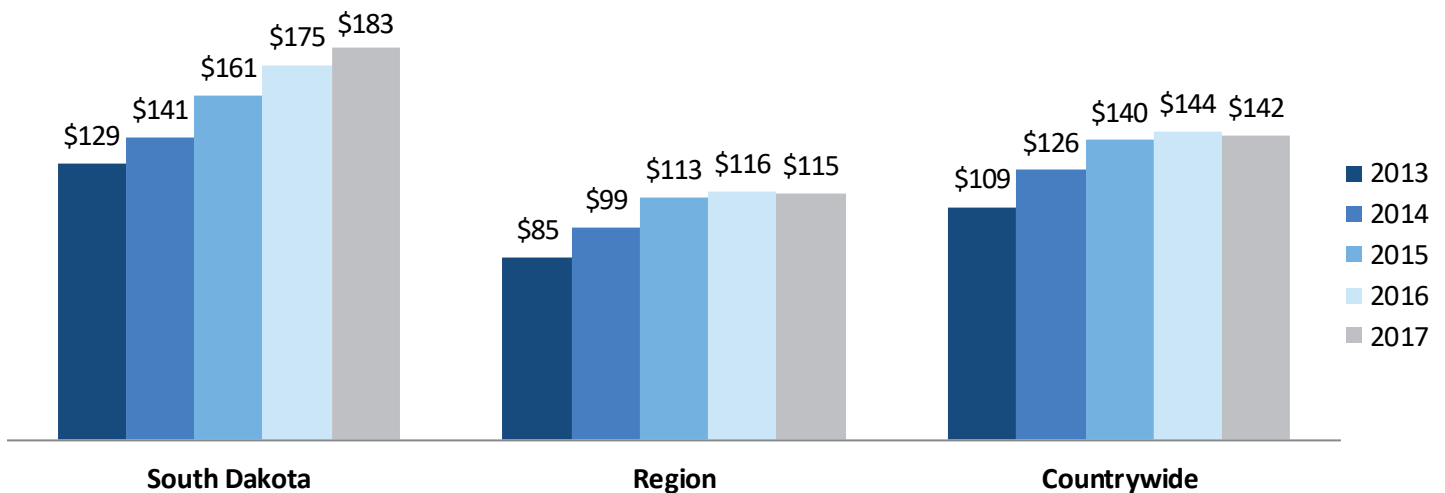
**Chart 17**

**Average Opioid Payment per Opioid Claim by Service Year**



**Chart 18**

**Average Payment per Opioid Prescription by Service Year**



<sup>12</sup> "Opioids—Killer Pain Relief" (*Annual Issues Symposium*, May 2018)

## Oxycodone Pill Equivalents

Price inflation of prescription drugs is one factor that impacts payments over time. The content of prescriptions and dosages can also impact the payments made. Not all prescriptions are equal, and not all opioids are equal. Consequently, a comparison of prescriptions or opioid payments with a common unit of comparison can add clarity to the observed experience.

The CDC<sup>13</sup> provides a way to convert daily—or hourly—doses of opioids to an equivalent daily dose of morphine by assigning a conversion factor to each type of drug, thus deriving the Morphine Milligram Equivalents (MME) for any opioid prescription, based on the number of units (pills for example) prescribed and the drug formulation. One milligram per day of oxycodone, for instance, is assigned an MME factor of 1.5; one milligram per day of codeine, on the other hand, is assigned an MME factor of 0.15.

NCCI converts milligrams of morphine to a number of oxycodone pills and calls it the Oxycodone Pill Equivalent (OPE). A 20mg oxycodone pill, which contains 30 MMEs, is exactly 1 OPE. Oxycodone is used as the standard of reference since it is the most prevalent opioid used in workers compensation. The chart below provides sample MME and OPE conversions for some commonly used opioids.



## Morphine Milligram Equivalents (MME)

Vicodin® (10mg)	Oxycodone (20mg)	Butrans® (20mcg/hr)
10 MMEs	30 MMEs	36 MMEs/Day



## Oxycodone Pill Equivalents (OPE)

Vicodin® (10mg)	Oxycodone (20mg)	Butrans® (20mcg/hr)
0.3 OPEs	1 OPE	1.2 OPEs/Day

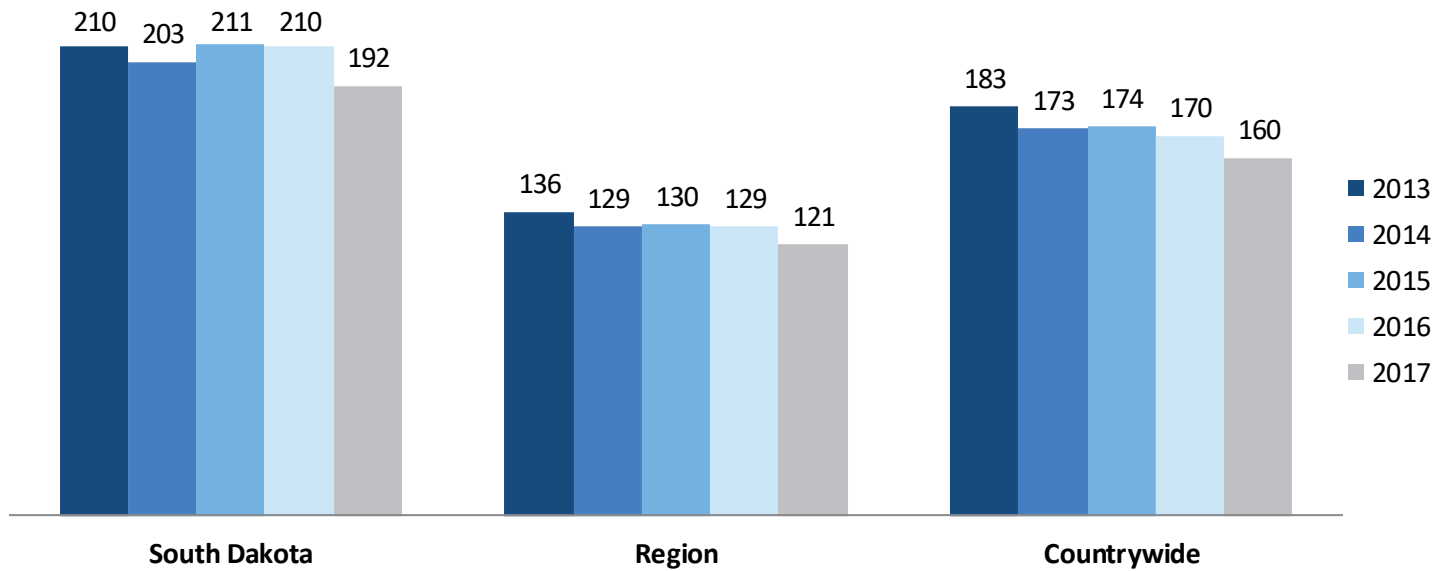
<sup>13</sup> [www.cdc.gov/drugoverdose/pdf/calculating\\_total\\_daily\\_dose-a.pdf](http://www.cdc.gov/drugoverdose/pdf/calculating_total_daily_dose-a.pdf)



Chart 19 displays the average yearly amount of OPEs prescribed per claimant with at least one opioid prescription for the latest five service years in South Dakota, the region, and countrywide.

### Chart 19

#### Average Yearly OPE per Opioid Claim by Service Year



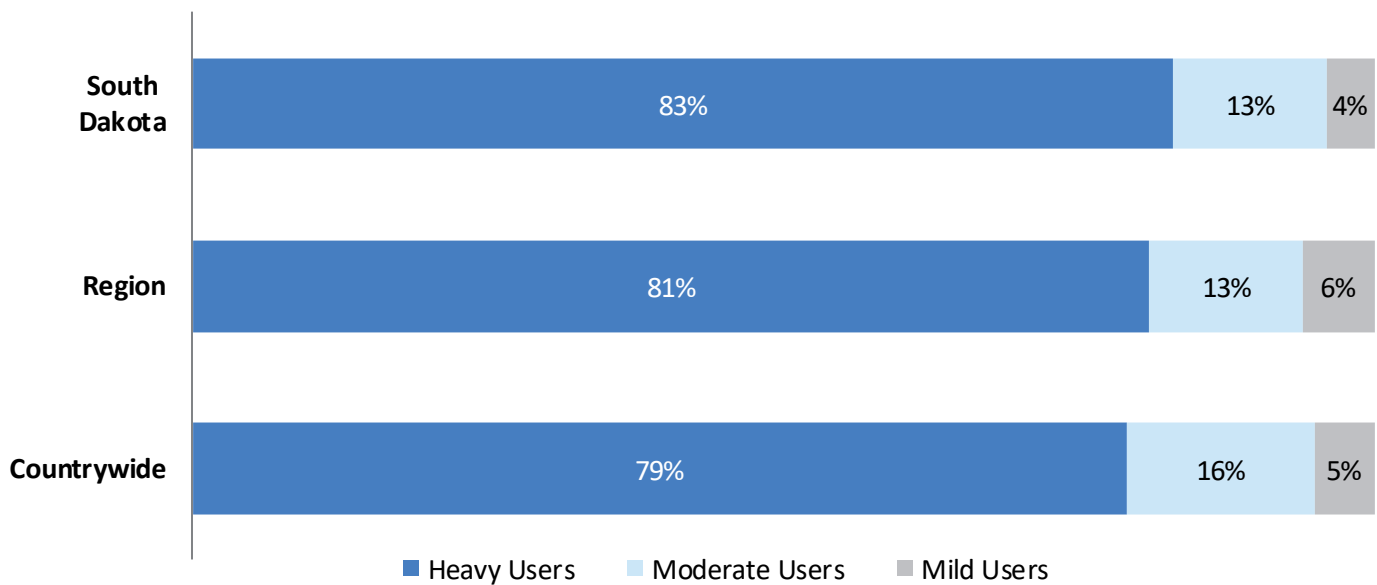
One way to recognize the extensive use of opioids is to classify claims into groups with different levels of opioid use. NCCI classifies opioid claimants based on yearly OPE consumption:

- “Heavy users” represent the top 10% of claims by OPE consumption
- “Moderate users” are in the next 20% of claims by OPE consumption
- “Mild users” are in the bottom 70% of claims by OPE consumption

Chart 20 shows the distribution of OPE by consumption classification in South Dakota, the region, and countrywide for SY 2017.

**Chart 20**

**Distribution of OPE by Consumption Classification**



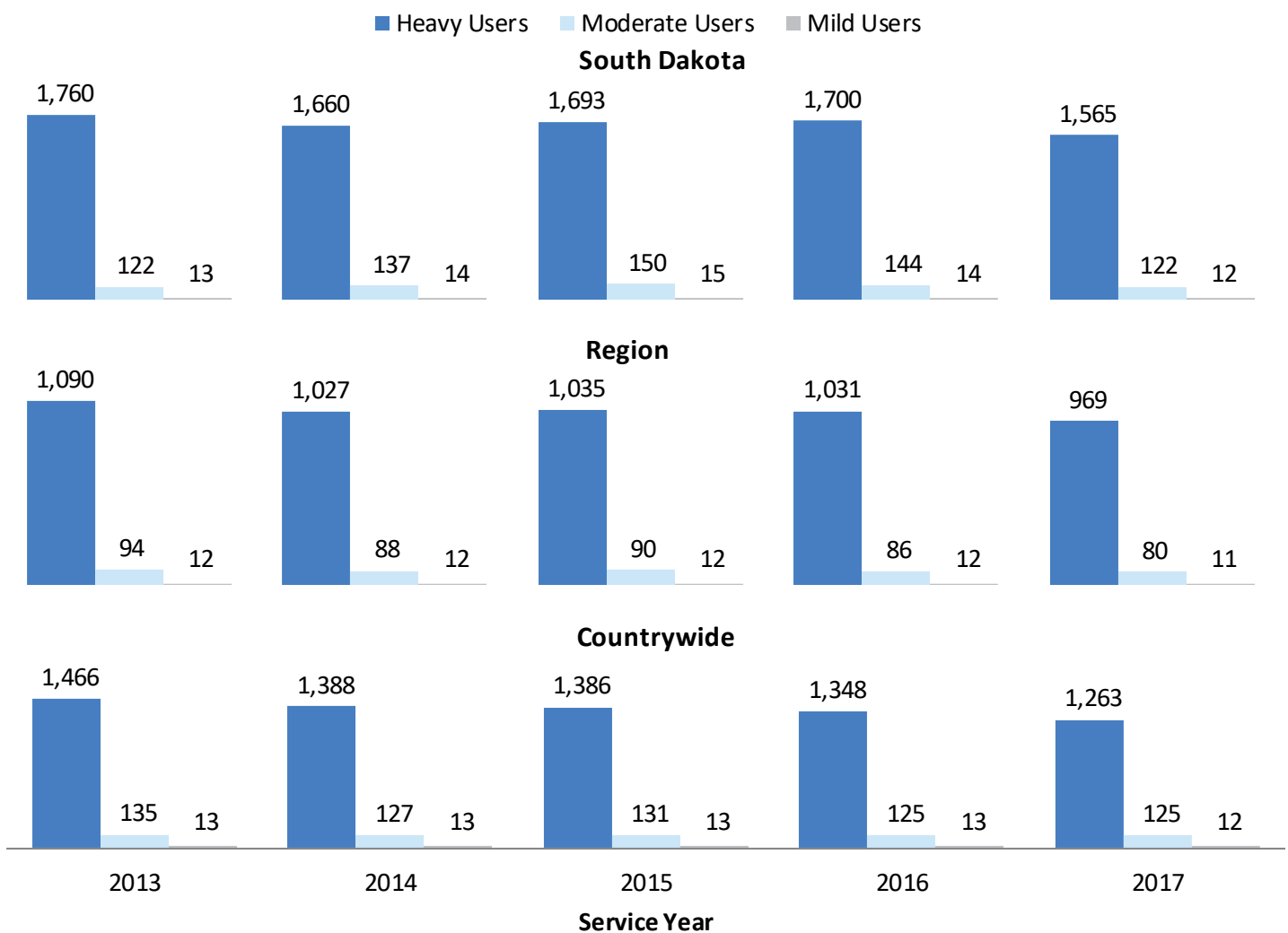


According to the [CDC Guideline for Prescribing Opioids for Chronic Pain](#),<sup>14</sup> clinicians “should avoid increasing dosage to  $\geq 90$  MME/day [3 OPE/day] or carefully justify a decision to titrate dosage to  $\geq 90$  MME/day.” A claimant who consumes 3 OPE per day for each day of the year would have a yearly OPE consumption of 1,095. In SY 2017, average heavy users in South Dakota were prescribed approximately 143% of the OPE of such a claimant.

Chart 21 shows the distribution of average OPE consumption within each usage classification for the latest five service years for South Dakota, the region, and countrywide.

### Chart 21

#### Average Yearly OPE per Opioid Claim by Service Year and Classification



<sup>14</sup> [www.cdc.gov/drugoverdose/pdf/guidelines\\_at-a-glance-a.pdf](http://www.cdc.gov/drugoverdose/pdf/guidelines_at-a-glance-a.pdf)

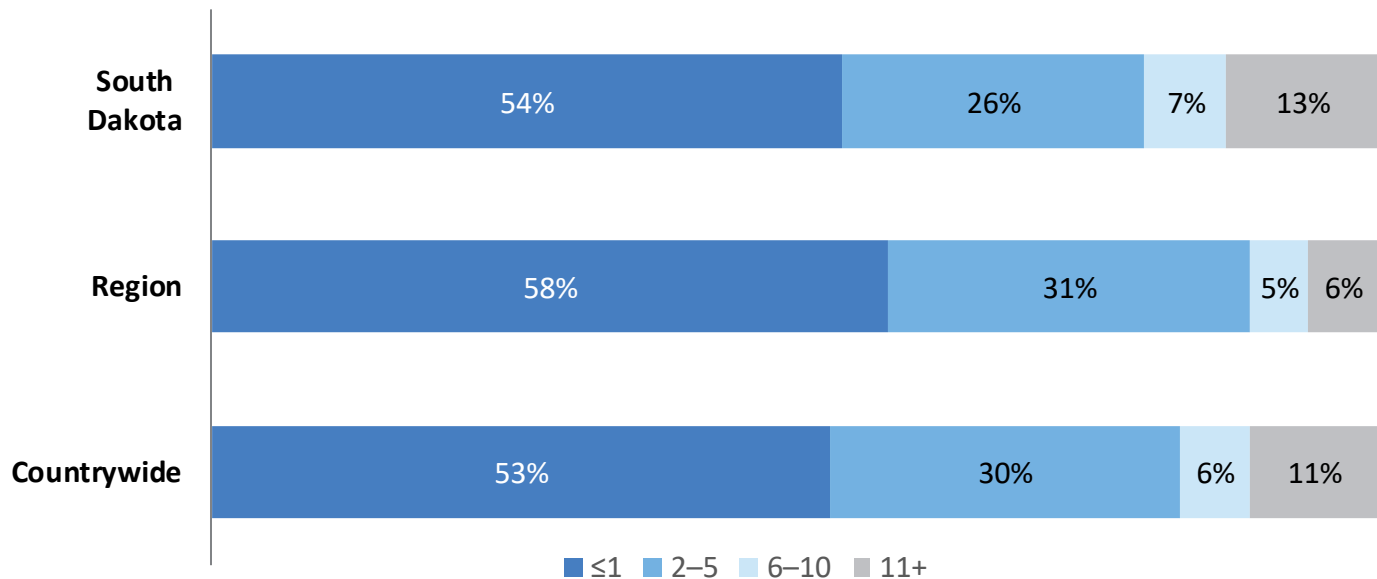


WC insurance is considered to have a long tail of liability, meaning that injured workers continue to receive medical benefits over a long period of time, sometimes 30 years or more. Observing opioid claims by claim maturity provides insight into the long-lasting usage of opioid prescriptions and their prevalence among injured workers at various stages of their disability.

Chart 22 shows the distribution of opioid claims by claim maturity for South Dakota, the region, and countrywide, where maturity is measured by the number of years from the date of injury.

**Chart 22**

**Opioid Claim Distribution by Claim Maturity in Years**

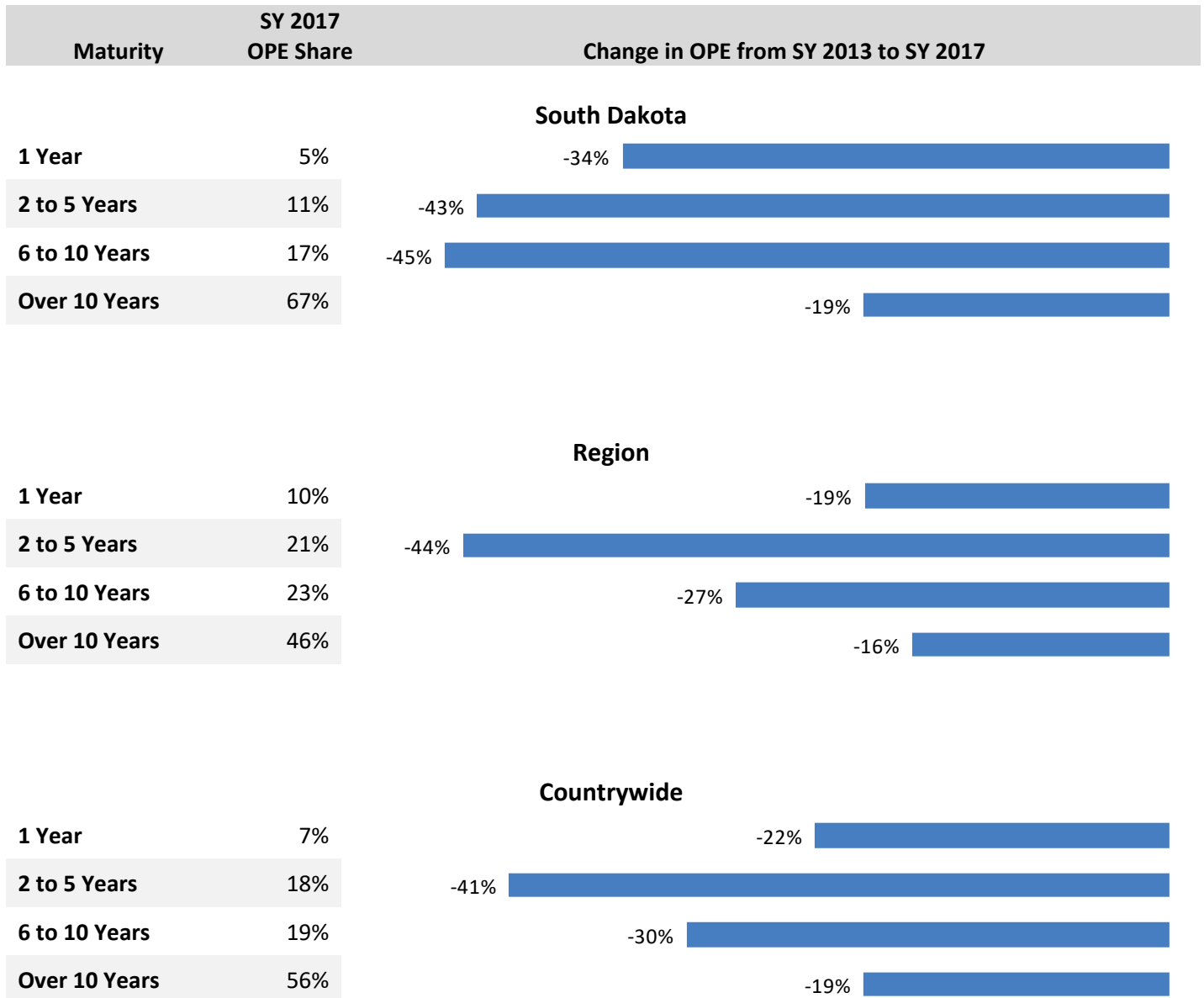




The decrease in the number of opioid prescriptions is most prominent for opioid claims at the earlier years of maturity. Chart 23 shows the change in OPE per opioid claim between service years 2013 and 2017.

### Chart 23

#### Change in OPE per Opioid Claim by Maturity







## Glossary

**Benzodiazepines (Benzos):** A class of drugs that produce central nervous system depression and are most commonly used to treat insomnia and anxiety.

**Controlled Substance:** Drugs that are regulated by the Controlled Substance Act (CSA) of 1970. Each controlled substance is contained in one of five schedules based on its medical use(s) and its potential for abuse and addiction.

**Current Procedure Terminology (CPT):** A numeric coding system maintained by the American Medical Association (AMA). The CPT coding system consists of five-digit codes that are primarily used to identify medical services and procedures performed by physicians and other healthcare professionals.

**Drugs:** Includes any data reported by a National Drug Code (NDC). Also included are data for revenue codes, the Healthcare Common Procedure Coding System (HCPCS), and other state-specific codes that represent drugs.

**Healthcare Common Procedure Coding System (HCPCS):** Alphanumeric codes that include mostly nonphysician items or services such as medical supplies, ambulatory services, prostheses, etc. These are items and services not covered by Current Procedure Terminology (CPT) procedures.

**Medical Data Call:** Captures transaction-level detail for medical billings that were processed on or after July 1, 2010. All medical transactions with the jurisdiction state in any applicable Medical Data Call state are reportable. This includes all workers compensation claims, including medical-only claims.

**National Drug Code (NDC):** A universal product identifier for human drugs in the United States. Each NDC code uniquely identifies a drug product based on key characteristics such as the labeler (manufacturer/distributor), active ingredients, strength, dosage form, and package form.

**Opioids:** A class of drugs used to treat moderate to severe pain, particularly chronic intractable pain.

**Opioid Pill Equivalent (OPE):** A standard unit for comparing opioid doses, equivalent to one 20mg oxycodone pill.

**Prescription:** NCCI defines a “prescription” to be synonymous with a transaction. Therefore, a refill on a prescribed drug is considered a separate prescription.

**(Paid) Procedure Code:** A code from the jurisdiction-approved code table that identifies the procedure associated with the reimbursement. Examples include CPT code or revenue code.

**Revenue Code:** A numeric coding system used in hospital billings that provides broad classifications of the types of services provided. Some examples are emergency room, operating room, recovery room, room and board, and supplies.

**Service Year:** A loss accounting definition where experience is summarized by the calendar year in which a medical service was provided.

**Transaction:** A line item on a medical bill.

**Units:** The number of units of service performed or the quantity of drugs dispensed. For Paid Procedure Codes related to medications, the quantity/units depend on the type of drug:

- For tablets, capsules, suppositories, nonfilled syringes, etc., it represents the actual number of the drug provided. For example, a bottle of 30 pills would have 30 units.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., dispensed in standard packages, the units are specified by the procedure code. For example, a cream is dispensed in a standard tube, which is defined as a single unit.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc. that are not dispensed in standard packages, the number of units is the amount provided in its standard unit of measurement (e.g., milliliters, grams, ounces). For example, codeine cough syrup dispensed by a pharmacist into a four-ounce bottle would be reported as four units.



## Appendix

The data contained in this report represents medical transactions for SY 2017 (medical services delivered from January 1, 2017, to December 31, 2017). Workers compensation insurance carriers must report paid medical transactions if they write at least 1% of the market share in any one state for which NCCI is the advisory organization. Once a carrier meets the eligibility criteria, the carrier will be required to report for all applicable states in which it writes workers compensation insurance, even if an individual state's market share is below the 1% threshold. All carriers within an insurance group are required to report, regardless of whether they write less than 1% of the market share in the state.

The data is reported under the jurisdiction state—the state under whose Workers Compensation Act the claimant's benefits are being paid. Medical transactions must continue to be reported until the transactions no longer occur (i.e., the claim is closed) or 30 years from the accident date. Nearly 30 data elements are reported.

For South Dakota in SY 2017, the reported number of transactions was more than 259,200, with more than \$49,768,300 paid, for more than 13,300 claims, representing data from 89% of the workers compensation premium written, which includes experience for large-deductible policies. Lump-sum settlements are not required to be reported. Also, self-insured data is not included.

Wherever possible, standard industry codes are used because they:

- Provide a clear definition of the data
- Increase efficiency of computer systems
- Improve the accuracy and quality of the data

Carriers differ in their handling of medical data reporting. Some carriers retain all medical claims handling internally and submit the data themselves. Others use business partners for various aspects of medical claim handling, such as third-party administrators, and medical bill review vendors. It's possible for a carrier to authorize its vendor to report the data on its behalf. Some carriers may use a combination of direct reporting and vendors. Although data may have been provided by an authorized vendor on behalf of a carrier, the quality, timeliness, and completeness of the data is the responsibility of the carrier.

Before a medical data provider can send files, each submitter's electronic data file must pass certification testing. This ensures that all connections, data files, and systems are functioning and processing correctly. Each medical data provider within a reporting group is required to pass certification testing. If a medical data provider reports data for more than one reporting group, that data must be certified for each group.

For more information about the Medical Data Call, please refer to the ***Medical Data Call Reporting Guidebook*** on **ncci.com**.

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