



Executive Summary

The rapidly increasing use of opioids for pain management have led to increasing treatment costs and concerns about Fraud, Waste and Abuse throughout the healthcare community. The work comp industry is further impacted due to lack of ability to exercise controls such as co-pays and out-of-pocket expenses that are available to other sectors in healthcare.

PMSI is introducing Fraud, Waste and Abuse as a specialty program of MedAssess to leverage proven results reinforcing PMSI's position as a market leader proactive in delivering solutions for industry issues. An integrated marketing strategy for the program will communicate PMSI's differentiators in clinical, data mining and predictive modeling.

Industry Issues and Trends

Hundreds of millions of dollars are spent annually on narcotics prescribed for pain management in workers' compensation claims. The United States accounts for 5% of the world's population but 60% of narcotic consumption. The rapid rise in narcotic use—specifically opioids—drives the increased concern over potential fraud, waste or abuse (FWA).

- On average, narcotics accounted for 33.9% of transactions in workers' compensation claims (PMSI, 2012 Annual Drug Trends Report)
- Injured workers have a high-level of susceptibility to FWA with opioids due to the nature of the conditions typically represented in workers' compensation claims
- Utilization of opioids has increased ten-fold in the past two decades
- Opioid-related deaths have tripled in the past ten years, exceeding those caused by cocaine and heroin use combined
- Little medical evidence supports the long-term use of opioids for musculoskeletal injuries, yet opioids still account for hundreds of millions in annual workers' compensation spend
- Absence of a claimant co-pay in workers' compensation reduces available control mechanisms
- "...inability of many legitimate pain sufferers to get adequate treatment. Research published by Oregon State University indicates 'at least 30 percent of patients with moderate chronic pain and over 50 percent of those with severe chronic pain fail to achieve adequate pain relief.'" (Paduda, 2010)
- Increase in physician dispensing has led to the proliferation of clinics that distribute drugs without medical cause
- Workers' Compensation lacks controls such as co-pays and out-of-pocket costs that are effective for group health to minimize incidents of fraud, waste and abuse.
 - Injured workers can fill every prescription whether or not it is needed



- Lack of clinical oversight from a primary prescriber can make it easy to obtain multiple prescriptions by doctor shopping

Competitive Landscape

Express Scripts

myMatrixx

- Only competitor currently marketing a Fraud, Waste and Abuse program solution
- Alert, Review and Manage (ARM)® - customizable program comprised of clinical concerns, financial concerns, and Fraud, Waste and Abuse (FWA) concerns
- myRisk Predictor – “identify injured workers who are at high risk for potential abuse and misuse of prescription medications”

Coventry

Progressive Medical

PMSI Solution

Product Framework

PMSI's Fraud, Waste and Abuse program integrates established clinical and transactional strategies to identify, alert and intervene with aberrant high-risk prescribing and dispensing patterns and therapeutic care for the injury. This comprehensive approach concentrates on three communities of interest whose behaviors provide indications of potential incidents of fraud, waste and abuse:

- Physicians
- Pharmacies
- Injured Workers

By considering the total pharmacotherapy program of an injured worker, prescribing behaviors of physicians, and pharmacy dispensing patterns, PMSI proactively identifies opportunities to intervene, control, and correct behaviors that are counterproductive to treatment and increase costs. Indicators that make up the multi-faceted program include:

- High levels of narcotic prescribing, dispensing and utilization
- Utilizing multiple sources of prescriptions and medications
- Early refills of targeted medications
- Long-term use of targeted medications
- High levels of physician dispensing
- Unnecessary brand medication prescribing and utilization
- High prescribing and utilization of compound medications
- Providers and pharmacies that have been sanctioned for actions reflective of fraud and abuse



The Fraud, Waste and Abuse specialty program works through four phases:

- **Identify:** early identification of behaviors that may be indicative or potential fraud, waste and abuse
 - Excessive or inappropriate use of opioids
 - Early refills of controlled substances
 - Brand utilization when generics are available
 - use of multiple pharmacies
 - Use of multiple prescribers
 - Excessive physician-dispensed medications
 - Excessive dispense-as-written prescriptions
 - Legal sanction/censure records
- **Alert:** Clients receive alert notifications to ensure awareness and opportunity for further investigation. Notifications may be through:
 - Clinical Escalation Alerts via VitalPoint™
 - Medication Review recommendation reports
 - Drug Testing and Monitoring recommendation reports
 - Outlier Prescribing Reports
- **Act:** Based on the type of notification and behavior identified, clients have a variety of options for intervening on targeted activities:
 - Utilization Review
 - Medication Review
 - Peer-to-Peer Outreach
 - Refer to case management
 - Multiple Prescriber Outreach
 - Hard blocks on selected medications during adjudication
 - Hard blocks on elected physicians during adjudication
- **Monitor:** PMSI provides ongoing monitoring and updates for actions and interventions performed at the client's request
 - Peer-to-Peer Outreach follow-up and progress reporting
 - Drug Testing and Monitoring
 - Multiple Prescriber Outreach follow-up
 - Quarterly business reviews including population risk analysis
- **Educate:** PMSI provides educational information to increase awareness about current issues, new developments and methods for prevention and management of fraud, waste and abuse.
 - Online Pain Management Resource Center
 - Therapeutic Drug Information Series
 - Publications (PMSInfo, Drug Alerts, Perspectives)
 - Client outreach and program feedback

Messaging Framework

Value Proposition

PMSI's multi-tiered Fraud, Waste and Abuse specialty program integrates established clinical strategies to identify, alert, act, and monitor potential issues within the injured worker, prescriber and pharmacy populations. Through the predictive modeling capabilities of the MedAssess Risk



Intelligence System (IS), high-risk behaviors are identified and proven intervention programs are implemented to resolve and prevent issues that are harmful to injured workers.

Key Differentiator

PMSI's extensive database of transactional information and proprietary MedAssess Risk IS enable highly accurate analysis to identify potentially fraudulent, wasteful or abusive activities. PMSI's clinical and customer care specialist teams collaborate with clients to facilitate interventions to support healthy outcomes and prevention of issues.

Elevator Speech

Fraud, waste and abuse of prescription medications is a major issue throughout healthcare and insurance—with increased complexities in the workers' compensation industry due to lack of controls such as claimant co-pays. PMSI's Fraud, Waste and Abuse specialty program monitors behaviors at the physician, pharmacy and injured worker levels to identify potential issues; alert stakeholders of potential issues; and act through interventions to resolve current and prevent future issues.

Talking Points

The Issue

- Rapidly escalating use of opioids has driven increased concern around issues of Fraud, Waste and Abuse
 - 75% of total pharmacy spend in workers' compensation is related to medications used for the treatment of pain (Source: *2012 Annual Drug Trends Report*, PMSI)
 - Lack of co-pays and out-of-pocket costs for workers' compensation claims eliminate controls that are relied on in group health to mitigate the issue
 - **What this means in work comp:** injured workers can fill every prescription, whether or not the prescription is needed.
- Opioids can be used safely when monitored and controlled according to clinical goals that focus on function *not* pain
 - This requires **clinical oversight** to monitor utilization, duration and frequency

PMSI Program

- Three communities of interest where behaviors can indicate potential fraud waste and abuse
 - Claimant/Injured Worker
 - Prescriber
 - Pharmacy

The PMSI program is the only solution currently available that looks at all three levels
- Monitoring and analysis of **behaviors** identifies irregularities that are indicators of potential instances of fraud, waste and abuse
 - Requires a comprehensive approach that looks at all activities



- By owning our network, PMSI applies audits and controls that mitigate risk of pharmacy contributors to fraud, waste and abuse issues
- Education for all stakeholders can promote appropriate and safe utilization
 - Claims professionals – understand available options
 - Claimant/Injured Worker – understand what to expect from treatment; how to use medications appropriately and safely
- Prescriber – recognize indicators of irregular patient behavior for intervention; stay current on effective treatment modalities
- **Program Results**
 - 28% reduction in prescription spend when claims are identified and intervened upon
 - 90% conversion rate from multiple prescribers to one lead prescriber
 - 80% acceptance rate of PMSI's clinical recommendations after a medication review with peer-to-peer outreach.

Campaign Overview

Objectives

Qualitative Goals

- Introduce Fraud, Waste and Abuse as a specialty program of MedAssess™ to leverage proven results reinforcing PMSI's position as a market leader proactive in delivering solutions to industry issues.
- Communicate PMSI's differentiators in clinical, data mining and predictive modeling
- Expand market message to highlight three communities of interest—patients, physicians and payors—demonstrating how PMSI's Fraud, Waste and Abuse specialty program works on multiple tiers as a comprehensive approach

Quantitative Goals

Target Markets and Objectives

- Penetration
 - Current Pharmacy Clients – increase use of MedAssess programs
 - Current PMSI Clients – convert to PMSI Pharmacy services
- Acquisition
 - Prospects – acquire new PMSI Pharmacy customers
 - Self-insured – acquire new PMSI Pharmacy customers



- Win-backs – win-back former PMSI Pharmacy customers

Campaign Tactics

Phase I: First and Second Quarter 2012

- ExpertInsights videos:
 - Delivering Clinical Excellence throughout the Entire Claims Lifecycle
 - Identifying High-Risk Behaviors in Workers' Compensations Claims
- Interview with Risk & Insurance (March 2012)
- Risk Management Magazine byline article: *Stemming the Epidemic in Narcotics Fraud and Misuse*
- RIMS Conference messaging
- Risk & Insurance digital edition: Identify High-Risk Behaviors in Workers' Compensation Claims (May 2012)
- Risk & Insurance print ad: High Risk Claims (April 2012)
- Annual Drug Trends Report Feature: Fraud, Waste and Abuse
- Population Risk Scorecard launch and Risk IS introduction
- Opioid Summit

Phase II: Third and Fourth Quarter 2012

Activity	Status
Communications – about updated assets available/planned to Account Management and Sales	In development
Internal Training – training for corporate sales and account management	NAM – 7/25 Sales – TBD
Program Overview – High-level collateral piece to support client presentations	Week of 7/23
PMSIonline.com – New section on Fraud, Waste and Abuse	Week of 7/23
Press Release – Program launch and Opioid Summit findings	TBD (target 7/30)
ExpertInsights Video 1 - Initial video (to be used in R&I digital edition)	Complete
Risk and Insurance Digital Edition – July/August	Complete



Fraud, Waste and Abuse

Marketing Strategy

	Release: 7/27
New Client Presentation Slides – support development of slides for client presentations	Week of 7/30
Existing Client Presentation Slides/QBR Summary Slides – support development of slides for client presentations	Week of 7/30
MedicareInsights.com Blog – Post on impact of FWA to allocations	Week of 8/6
Gift of Knowledge/Perspective	
WCI – Feature at WCI conference	August
ExpertInsights Video 2 – Expanded video on FWA	September
Thought Leadership Webinar	September/October
Social Media	Ongoing
National Workers' Compensation Conference	November
Byline Article Placement	Ongoing
Speaker Engagements	Ongoing