

FRAUD, WASTE AND ABUSE

75%

Total pharmacy spend related to medications used for the treatment of pain.

Promote safe and effective health outcomes through clinically based identification, intervention and monitoring of fraud, waste and abuse behaviors.

Hundreds of millions of dollars are spent annually on opioid analgesics (commonly known as narcotics) prescribed to manage pain from workers' compensation injuries. *PMSI's Annual Drug Trends Report* shows that over 75% of total pharmacy spend is related to medications used for the treatment of pain. The absence of co-pays and out-of-pocket costs for workers' compensation claims makes it easy for injured workers to fill every prescription, whether or not it is needed. A lack of clinical oversight removes barriers to obtaining multiple prescriptions by doctor shopping while an increase in physician dispensing has led to the proliferation of clinics that distribute drugs without medical cause.

Integrating established clinical strategies to identify, alert and intervene with aberrant high-risk prescribing and dispensing patterns and therapeutic care for the injury, PMSI's Fraud, Waste and Abuse specialty program can resolve concerns and prevent potential incidents to reduce unnecessary risks and costs. The multi-faceted program concentrates on three communities of interest involved throughout the claim lifecycle:

- Injured workers
- Physicians
- Pharmacies

PMSI's Fraud, Waste and Abuse program evaluates at both the population and individual levels to identify high-risk behaviors within these communities of interest. PMSI's owned network of nearly 65,000 participating retail pharmacies nationwide, maintains rigorous audit practices and point-of-sale safeguards that reduce potential instances of fraud, waste and abuse at the pharmacy level.

The **Population Risk Scorecard** predicts risk within the injured worker population from medication use. Applying a proprietary set of criteria to prescription claims, clients can focus on the segment of the claimant population exhibiting utilization behaviors inconsistent with best-practice clinical guidelines and evidence-based medicine. The **Prescriber Profiling Report** identifies prescribing behaviors outside normal parameters identified as high-risk. Clients receive a custom report listing any prescribers exhibiting high-risk behavior associated with claims in the payor's population. A list of indicators on which the high-risk classification is based and claimant/transactional data for the associated claims is included in the report. As part of the Population Risk Scorecard and the Prescriber Profiling Report, PMSI provides recommendations on available intervention options to resolve the issues to mitigate risk and ensure positive health outcomes for injured workers.

Proven Solution: Fraud, Waste and Abuse

Using the capabilities of the MedAssess Risk IS™, all transactions are analyzed through a multi-dimensional model that recognizes key indicators to trigger alerts, recommends interventions, and continuously monitors injured workers, pharmacies and physicians exhibiting behaviors potentially related to fraud, waste or abuse scenarios.

- **High-Risk Profiling** – Flags irregular behavior involving narcotic prescribing and utilization within the physician and injured worker communities
- **Medication Reviews and Peer-to-Peer Outreach** – Evaluates appropriateness of prescribed therapy for the injury, which may require a peer-to-peer review
- **Drug Testing and Monitoring** – Assesses the proper use of prescribed medication and detects the presence of any illegal drugs
- **Generic Conversion** – Identifies when brand-to-generic conversion is not utilized
- **Multiple Prescriber Outreach** – Converts multiple prescribers of narcotics to one lead prescriber
- **Clinical Escalation Alerts** – Triggers alerts when transactions meet pre-defined clinical criteria specific to narcotics

The Fraud, Waste and Abuse program follows a systematic approach with five primary phases:

| Identify | Alert | Act | Monitor |
|--|--|--|---|
| <p>Early identification of behaviors that may be indicative of potential fraud waste and abuse, including:</p> <ul style="list-style-type: none"> ■ 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 | <p>Clients receive alert notifications to ensure awareness and opportunity for further investigation. These notifications are provided in a variety of methods, including:</p> <ul style="list-style-type: none"> ■ Clinical Escalation Alerts via VitalPoint™ ■ Medication Review recommendation reports ■ Drug Testing and Monitoring recommendation reports ■ Prescriber Profiling Report | <p>Based on the type of notification and behavior identified, clients have a variety of options for intervening on targeted activities. PMSI can facilitate many of these actions:</p> <ul style="list-style-type: none"> ■ Utilization Review (internal or external vendor) ■ Medication Review ■ Peer-to-Peer Outreach ■ Refer to Case Management ■ Multiple Prescriber Outreach ■ Hard blocks on selected medications during adjudication ■ Hard blocks on selected physicians during adjudication | <p>PMSI provides ongoing monitoring and updates for actions and interventions performed at the client's request:</p> <ul style="list-style-type: none"> ■ 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 |
| Education | | | |
| <p>PMSI provides educational information to increase awareness about current issues, new developments and methods for prevention and management of fraud, waste and abuse, including:</p> <ul style="list-style-type: none"> ■ Online Pain Management Resource Center ■ Publications such as PMSInfo, Drug Alerts, and Perspectives ■ Therapeutic Drug Information Webinar Series ■ Client outreach and program feedback | | | |

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Proven Solutions for Cost Containment

Founded in 1976, PMSI is a leader in developing solutions to control the growth of medical costs in workers' compensation. As one of the nation's largest and most experienced companies focused solely on workers' compensation, we deliver proven solutions for cost containment across the claims lifecycle. PMSI's solutions for Pharmacy, Medical Services and Equipment, and Settlement Solutions deliver quantifiable results and improve the quality of care for injured workers. We provide our customers with the innovation, focus, expertise, analytics and technology needed to successfully deliver workers' compensation benefits.