

CCM e-News Brief

Vol. 9, No. 10, October 1, 2013

[Compliments of Charlotte Bishop, President, Creative Case Management, Inc.]

Illinois Fee Rates. Medical fee schedule rates will increase 1.52% on January 1, 2014. If the fee schedule had tracked medical inflation, rates would be 30% higher than in 2006; instead, rates are 7% lower than 2006. Section 8.2(a) of the Illinois Workers' Compensation Act provides that, each year, fee schedule rates shall increase or decrease by the percentage change in the Consumer Price Index-U (CPI-U) in the previous year. The 2014 rates will be posted as soon as the vendor, Optuminsight, calculates them and obtains information about new and deleted codes. The rates are usually posted at the end of the year. We will give notice on our news web page and through this ListServe when the rates are online. Source:

<http://www.workerscompensation.com/compnewsnetwork/news/17512-il-2014-fee-schedule-rates-will-increase-1-52-7-lower-than-2006.html>

Workers Comp Rx Costs. With medical expenditures growing at a faster rate than indemnity benefits in workers compensation, NCCI periodically re-examines prescription drug (Rx) costs, which have been a significant driver of medical costs. NCCI has performed several studies on the use of prescription drugs in workers compensation. NCCI's initial report, published in 2003, showed that utilization (as opposed to price) increases were the driving force behind total per-claim workers compensation Rx cost increases. Several drugs, such as Actiq, Mobic, and OxyContin have shown significant changes in market share since 2003.

In the most recent study from 2011, NCCI demonstrated that increased physician dispensing is associated with increased drug costs per claim. (All of our previous prescription drug studies are available on ncci.com.) The major topics covered in this report are:

- The countrywide share of WC medical costs due to prescription drugs
- The impact of price and utilization changes on those costs
- Prescribing patterns
- Physician dispensing
- Use of narcotics in WC

2013 Key Findings:

- Prescription costs per claim continue to grow
- Utilization is a major driver of total cost changes
- The share of Rx costs for physician-dispensed drugs continues to increase
- Narcotics account for 25% of drug costs
- More than 45% of narcotics costs are for drugs with Oxycodone HCL as an active ingredient

Source: <http://www.workerscompensation.com/>

CCM e-News Brief. For access to the archive of past issues of CCM e-News Brief, please visit: <http://www.creativecasemanagement.com/eNews.aspx>