

CCM e-News Brief

Vol. 10, No.8, August 1, 2014

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

Illinois Comp Rates Reduced. Governor Pat Quinn this week announced that the National Council on Compensation Insurance (NCCI) has filed a request for lower workers compensation rates, recommending a 5.5 percent drop in the advisory rate for 2015. This decrease will bring the total rate reduction since historic reforms championed by the Governor were enacted in 2011 to more than 18 percent, saving Illinois' employers more than \$450 million. The announcement is part of Governor Quinn's agenda to strengthen Illinois' business climate, drive economic growth and ensure that all workers are treated fairly and receive the compensation they deserve. "We've been getting the job done on workers' compensation reform and now that reform is generating hundreds of millions of dollars in dividends for Illinois businesses and workers," Governor Quinn said. "Illinois is making a comeback and historic reforms like these will keep it going strong, driving our economy forward and creating jobs in every corner of our state." State officials at the Illinois Department of Insurance (DOI) estimate the latest proposed reduction in workers' compensation advisory and loss cost rates could result in overall reduction in premiums of up to \$143 million in 2015, with the total savings since the reforms were enacted of \$458 million. This estimate is based on the credit rating organization A.M. Best's calculations as they reviewed 2011 premiums. Individual rates for businesses may vary based on claims experience, payroll and other factors. The NCCI advisory rates determine the premiums businesses pay for workers' compensation insurance. DOI actuaries must confirm the calculations submitted by NCCI, a process that typically takes about 60 days. Upon taking office in 2009, Governor Quinn made it a priority to reform workers' compensation and to work with business owners and legislators on legislation to make it easier to do business in Illinois. He launched a working group on the issue, proposed legislation and worked with the General Assembly to enact historic reform that is allowing businesses to save hundreds of millions of dollars, driving economic growth throughout the state. Source:

<http://www.workerscompensation.com/compnewsnetwork/news/19400-il-governor-quinn-announces-historic-workers%E2%80%99-compensation-rate-reductions.html>

Workers Comp Drug Costs. A new study from the Workers Compensation Research Institute (WCRI) examines how a Texas-like closed drug formulary might affect the prevalence and costs of drugs in 23 other state workers' compensation systems that do not currently have a drug formulary. "As policymakers and other system stakeholders seek to contain medical costs, part of the focus is on prescription drug costs," said Dr. Vennela Thumula, an author of the study and a policy analyst at WCRI. "With an evidence-based closed formulary, states have the potential to contain pharmaceutical costs while encouraging evidence-based care." According to the study, Impact of a Texas-Like Formulary in Other States, physicians in the other 23 states may have similar or different responses to the closed formulary from Texas physicians. A Texas-like closed formulary limits access to some drugs by requiring prior-authorization for drugs not included in the formulary. The study provides multiple scenarios to the readers to illustrate the impact of the formulary based on how physicians respond. The study found non-formulary drugs were as prevalent in the 23 study states as they were in pre-reform Texas. They accounted for 10–17 percent of all prescriptions and 18–37 percent of total prescription costs. The comparable numbers for pre-reform Texas were 11 percent and 22 percent, respectively. The 23 states included in this study are Arkansas, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.

Source: <http://www.workerscompensation.com/compnewsnetwork/news/19168-wcri-texas-like-drug-formulary-has-potential-to-reduce-costs-in-other-states.html>

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>
1740 Ridge Ave ~ Ste 111 ~ Evanston, IL 60201 ~ 847/869-5118(o) ~ 847/869-0410(f) ~ info@creativecasemanagement.com