



Joseph Paduda's weblog on managed care for group health, workers compensation & auto insurance, covering health care cost containment, health policy, health research, and medical news for insurers, employers, and healthcare providers.

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A look back at RIMS - DME formularies, claim triage, and drug costs

Following RIMS, it was off to NCCI for their conference, then a furious few days to catch up and follow up and get a couple deliverables out.

Now that there's a few minutes to go back thru my notes from RIMS, there were a couple interesting takeaways.

First, I met with Healthcare Solutions (HCS) (the product of the Cypress Care and Procura 'merger'). While there's been a good deal of drama around the company of late, I was there to discuss their recent work with Broadspire to develop a process whereby a payer can develop a 'formulary' for DME, thereby using clinical guidelines to determine and prospectively approve specific DME for specific conditions - and excluding 'non-approved' items.

DME has long been a bit of a black box in comp; equipment is tough to categorize or code; while some items are pretty straightforward, others can have varying options or functions (think wheelchair - then think power; high-weight-capacity; long-term usage v temporary usage; narrow v wide; wide tires for outdoor usage v normal width...). **HCS' approach enables payers to exert more control over which equipment is pre-approved and which requires an additional OK to authorize.**

There's two parts to this - the clinical guidelines, which are developed by, unique to, and managed by the payer (in this case Broadspire) and the infrastructure/technology which was developed by HCS.

The infrastructure can be adapted to other payers' 'formularies'; HCS will likely seek to work with other payers a few months down the road.

Linking the notoriously difficult-to-manage DME supply business with clinical guidelines makes sense; implementing this, and addressing those DME scripts that are questionable may be a bit tougher. This wouldn't be much different from 'regular' UR, where there are always appeals processes and mechanisms to work thru uncertainty.

Sticking with **Broadspire, I also viewed a demo of their eTriage technology.** eTriage is a predictive tool that has been in place at Broadspire/Crawford for some time, and has undergone revisions and updating since its adoption a few years back. According to Broadspire's Gary Anderberg, eTriage takes a good bit of the mystery out of determining which claims are going to go bad, an ongoing challenge for the entire work comp industry. eTriage is an algorithm-based 'guided' interview tool that includes questions about pain, functionality, the employer-employee relationship, and other issues that have been found to contribute to disability duration.

The next question is usually based on the response to the last question, enabling the interviewer to dig into behaviors, beliefs, and patterns. While there is a free-form text-entry capability, the app is heavily oriented towards pre-filled responses based on drop down menus.

eTriage is designed to help payers identify those claims that may appear relatively benign but turn long and costly. These 'middle' claims fall between the other two general claim 'types' (my definition not their's) which are much more readily categorized - routine bumps and cuts, and catastrophic or near-catastrophic claims.

I also met with [Progressive Medical](#) to hear about their new drug trends report. Jason

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Winters, RPh, told me Progressive's book of business had experienced good results in 2009, despite an increase in brand drug prices of 8.1%. According to Winters, "overall reduction for the year per drug-using injured party was 1.9 percent, despite blended awp increase of 5.2 percent and an increase in total days supply prescribed of 2.6 percent." Among the favorable data points, Actiq costs were down 28%, duragesic costs declined 10%, and Oxycontin costs also dropped.

To some extent Opana may be increasing share at the expense of Oxycontin, as costs for Opana trended up over the previous year.

(none of the firms mentioned herein are HSA clients)

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