

NYS WCB Presentation

September 19, 2023

About WCRI

- Independent, not-for-profit research organization providing objective information about public policy issues involving workers' compensation systems
- Serve as a resource for public officials and stakeholders, but we do not make recommendations or take positions
- Studies are peer-reviewed with a focus on benefit delivery
- Diverse membership support, including gov't agencies, employers, insurers, labor unions, service providers, etc.

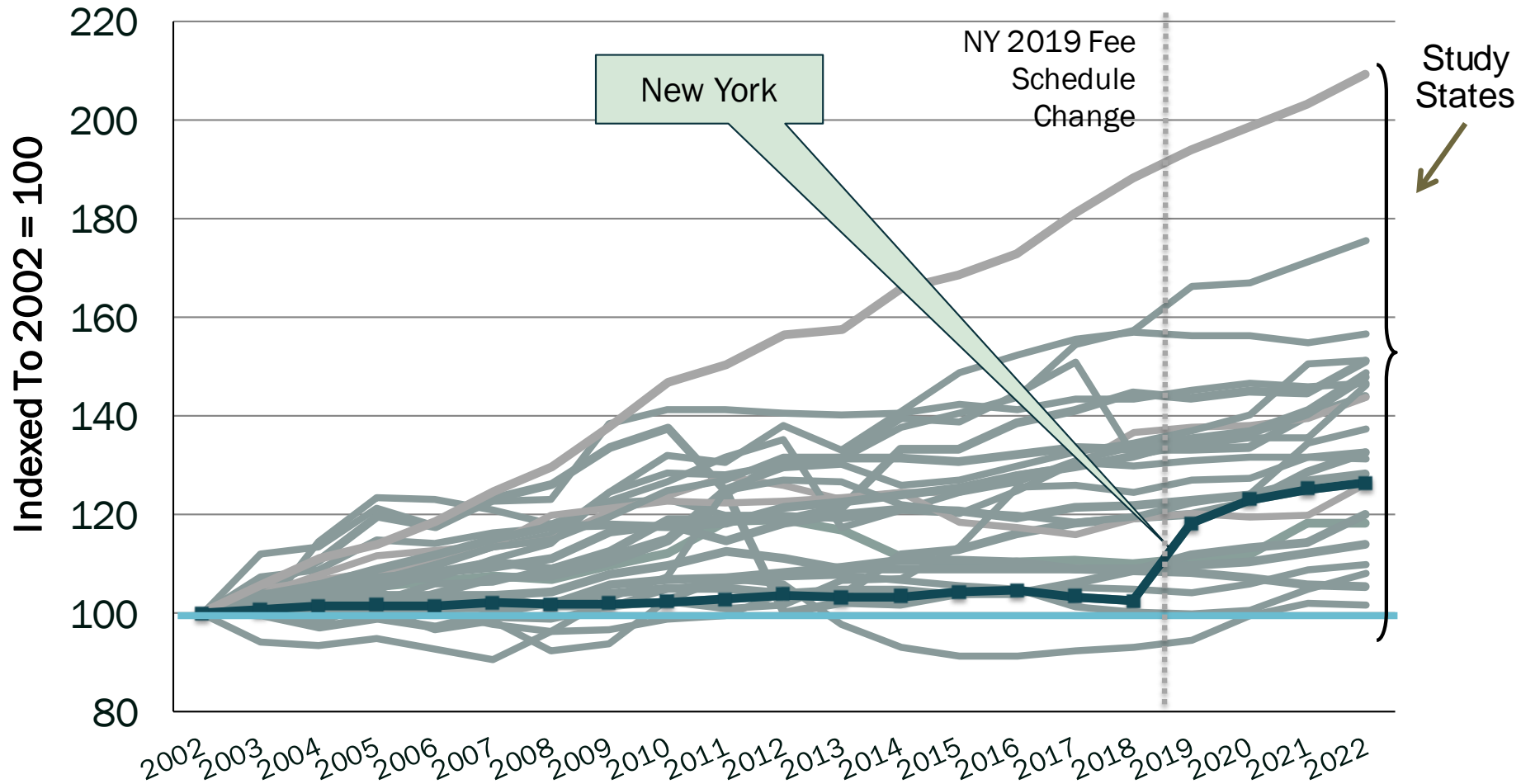
Findings From Recent WCRI Research On Med. Payments, Rx Drugs And Medical Inflation

- Prices paid for professional services in NY changed little after 2020 following increases from 2018-2020; prices paid remained lower compared with other states
- Prescription payments per claim decreased in NY since 2015; may reflect several factors, including implementation of drug formulary
- While general inflation was substantial in the last couple of years, medical inflation was not a main driver

Selected Recent Policy Changes That May Impact Trends In New York Medical Payments Per Claim

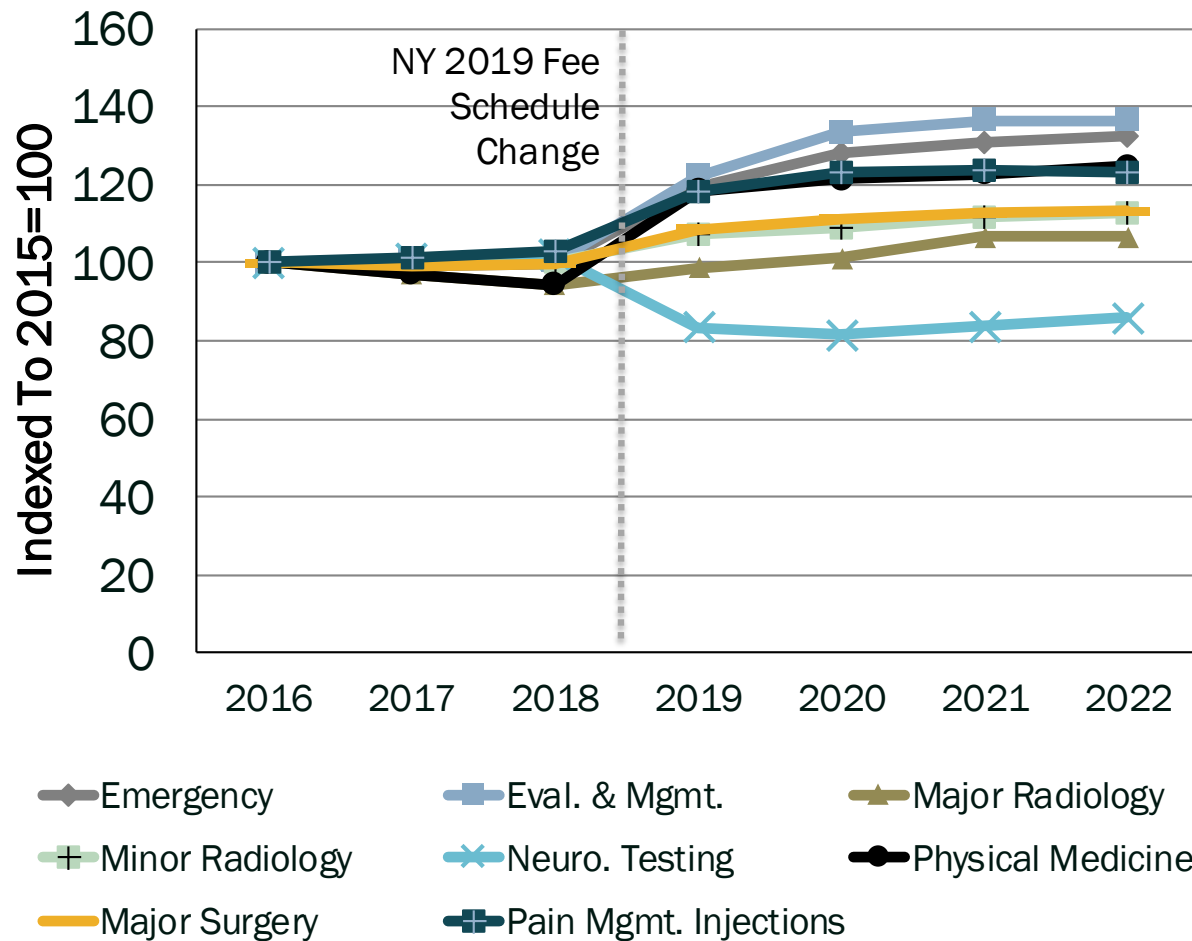
Policy	Effective Date	Selected Metrics To Monitor In Future Editions Of This Report
2019 Medical Fee Schedule Change	4/2019	Nonhospital payments per claim; prices paid; utilization
Drug Formulary	New Rx: 12/5/2019; Refills: 3/7/2022	Rx payments per claim
Expanded Provider Law	1/2020	Nonhospital payments per claim; prices paid; utilization

NY Prices Paid For Professional Services Changed Little Since 2020, Following Increases 2018–2020



Prices Paid For Nonhospital (professional) Services In Calendar Year 2002 To 2022 (2022 data are January through June). Source: *WCRI Medical Price Index For Workers' Compensation, 15th Edition (2023)*

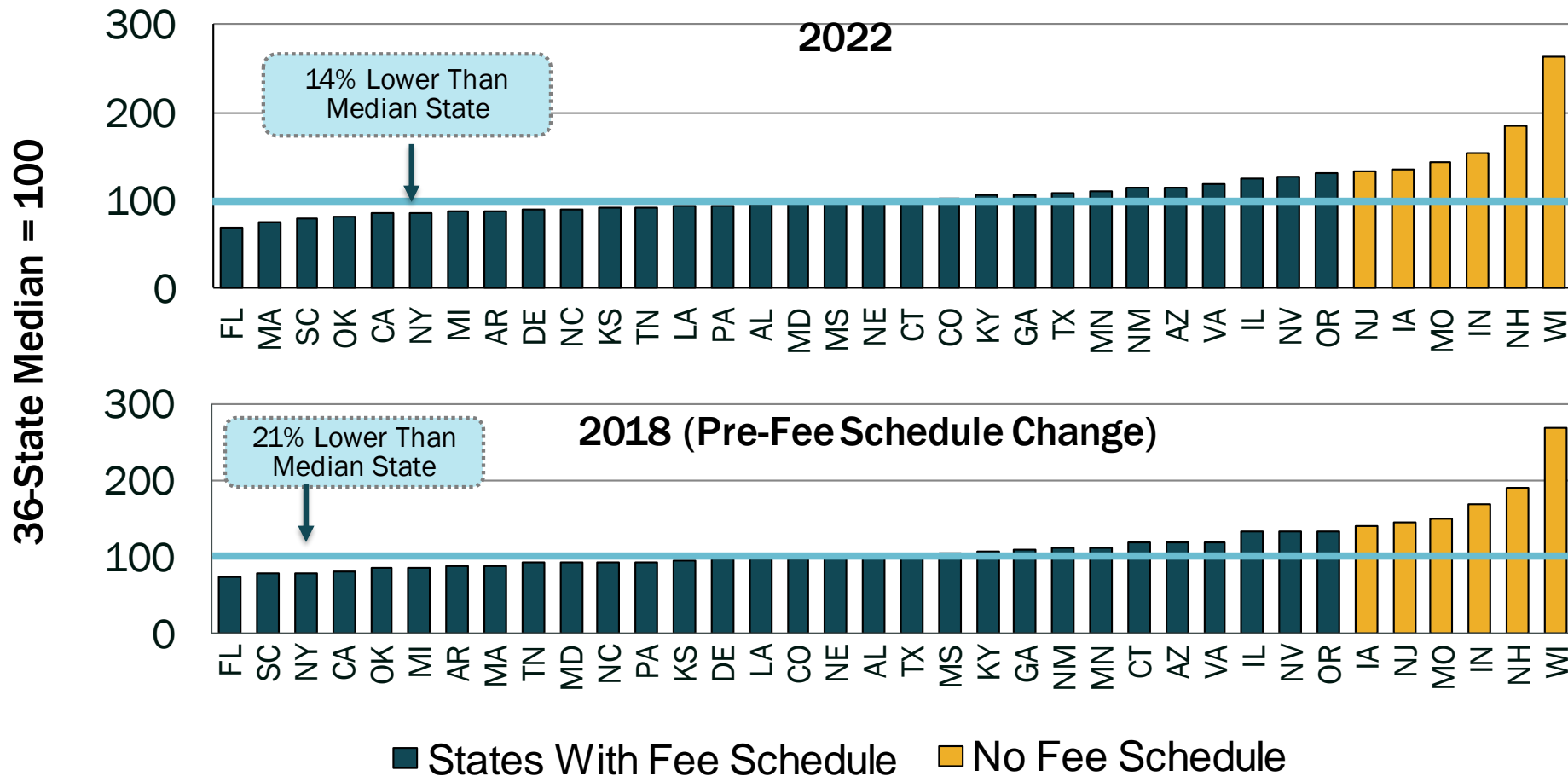
NY Prices Paid For Key Professional Services Changed Little Since 2020; Followed Rapid Changes 2018–2020



AAPC	2018–2020	2020–2022
Emergency	13.4%	1.6%
Eval. & Mgmt.	15.3%	1.1%
Major Radiology	3.6%	2.6%
Major Surgery	4.2%	1.6%
Neuro. Testing	-10.6%	2.7%
Physical Medicine	13.4%	1.4%
Minor Radiology	5.6%	0.9%
Pain Mgmt. Injections	9.4%	0.1%

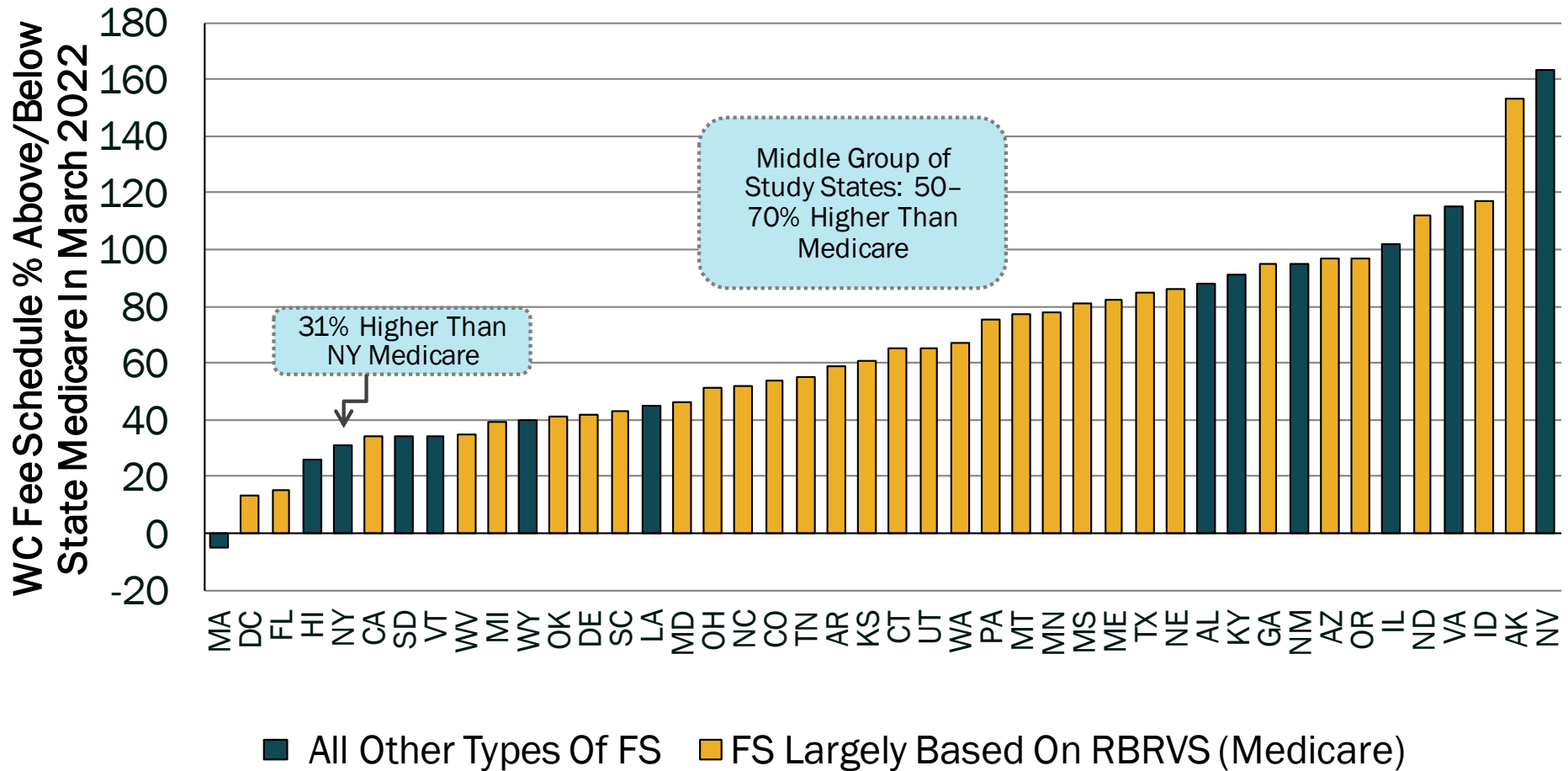
Prices Paid For Nonhospital Services In Calendar Year 2014 To 2022 (2022 data are January through June)
 Source: WCRI Medical Price Index For Workers' Compensation, 15th Edition (2023)

NY Prices Paid For Professional Services Were 14% Lower Than Median Study State In 2022



Prices Paid For Professional (nonhospital) Services In Calendar Year 2018 and 2022 (January through June)
 Sources: WCRI Medical Price Index For Workers' Compensation, 12th Edition (2020); WCRI Medical Price Index For Workers' Compensation, 15th Edition (2023)

NY Fee Schedule For Professional Services (As % Of State Medicare Rates) Lower Than Most States

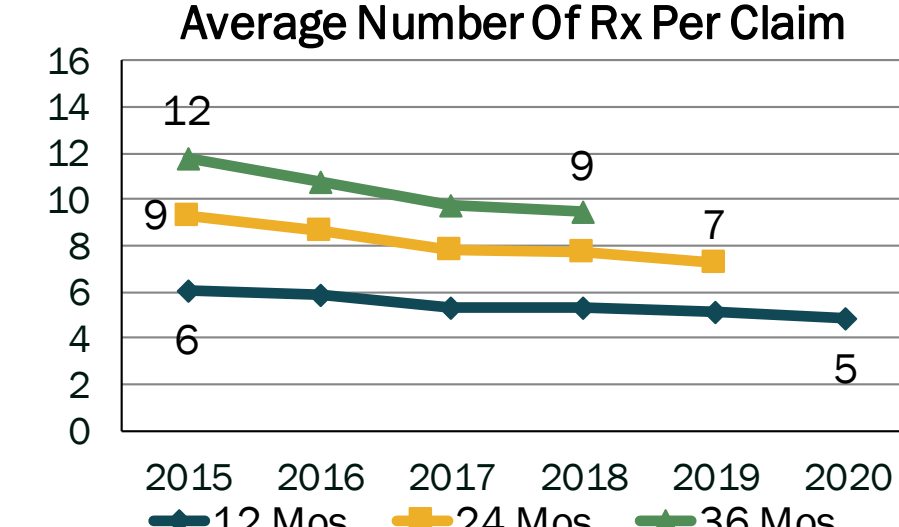
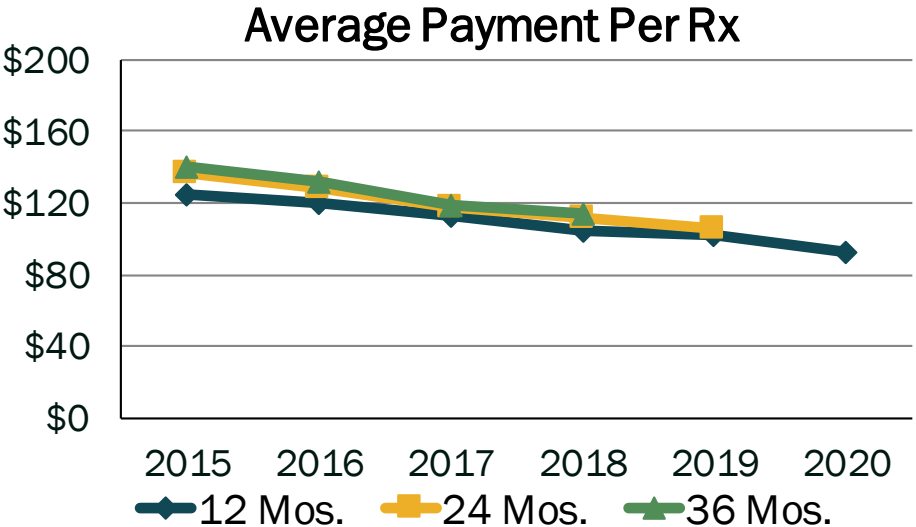
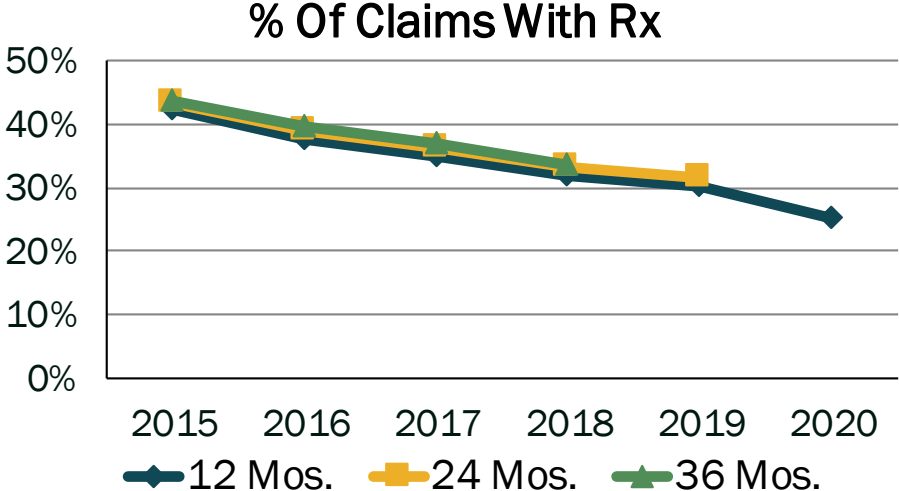
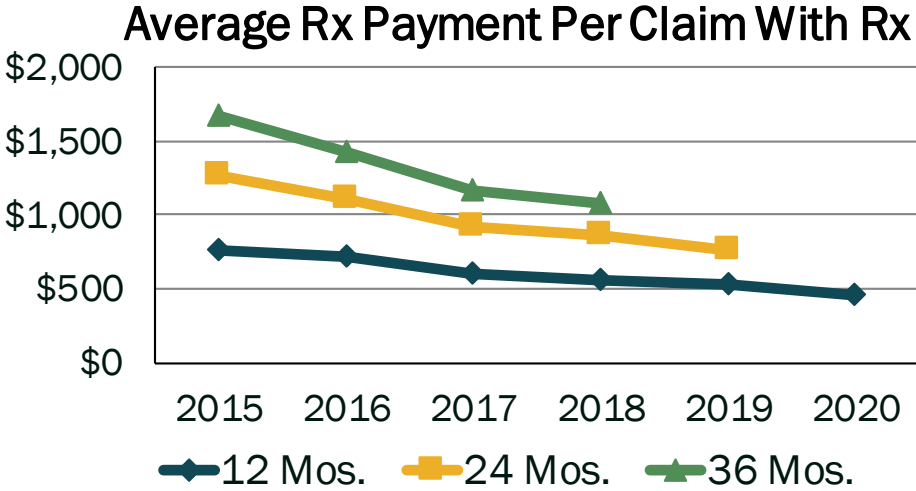


Source: *Designing Workers' Compensation Medical Fee Schedules, 2022* (2022)

Selected Findings From Recent WCRI Research On New York Medical Payments & Treatment

- Prices paid for professional services changed little since increases in 2019 and 2020 following 2019 fee schedule change; prices paid remained lower compared with other states
- Prescription payments per claim decreased since 2015; may reflect several factors, including implementation of drug formulary
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Average NY Rx Payment/Claim Decreased 10–13%/Year 2015-2020; % Claims With Rx Also Decreased



Non-COVID-19 Indemnity Claims At Various Maturities



Several Factors May Have Contributed To Recent Decreases In NY Rx Payments & Utilization

- Several factors may have contributed to decreases in Rx payments/claim since 2015 in NY
 - New York has enacted several policies over the last 10+ years to address unnecessary opioid use
 - Drug formulary became effective for new prescriptions in December 2019; refills March 2022*
 - Other potential factors, including an increase in attention to the use of opioids in workers' compensation
- Other WCRI studies have examined the trends in prescription payments and utilization

* The data in the previous slide does not reflect the implementation of the drug formulary for refills.

Rx Payments Per Claim In NY Decreased For Most Therapeutic Drug Groups Since 2018Q1

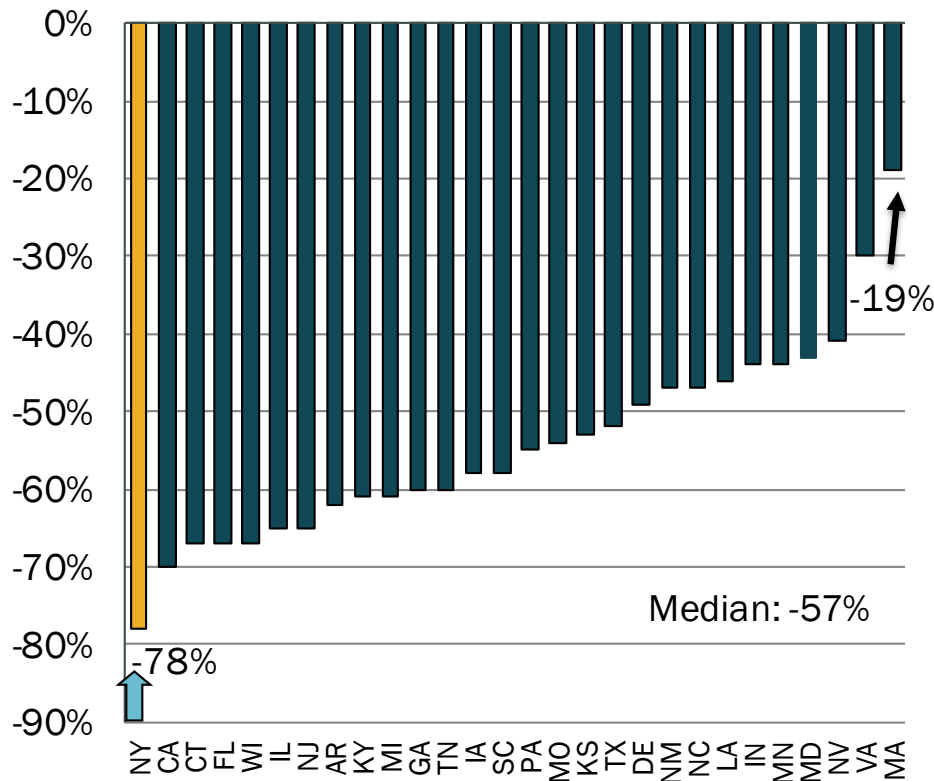
Change In WC Drug Payments In NY 2018Q1 To 2021Q1	% Of All Rx Payments			Rx Payments Per Claim		
	2018Q1	2021Q1	Diff.	2018Q1	2021Q1	Diff.
NSAIDs	20%	26%	7 ppt	\$78	\$77	-2%
Dermatological Agents	19%	24%	5 ppt	\$77	\$71	-7%
Anticonvulsants	16%	9%	-7 ppt	\$65	\$26	-60%
Musculoskeletal Therapy Agents	10%	7%	-3 ppt	\$40	\$20	-50%
Opioids	14%	4%	-10 ppt	\$57	\$13	-78%
Antidepressants	4%	4%	-1 ppt	\$17	\$11	-39%
Compounds	1%	0%	-1 ppt	n/a	n/a	
Others	15%	26%	10 ppt	n/a	n/a	

Prescriptions Filled In Service Quarter 2018Q1 Through 2021Q1, For All Medical Claims With Injuries Occurring Within 3 Years Prior To The Prescription Fill Date. Reported changes may not be equal to the value derived from the 2018Q1 and 2021Q1 column values due to rounding.

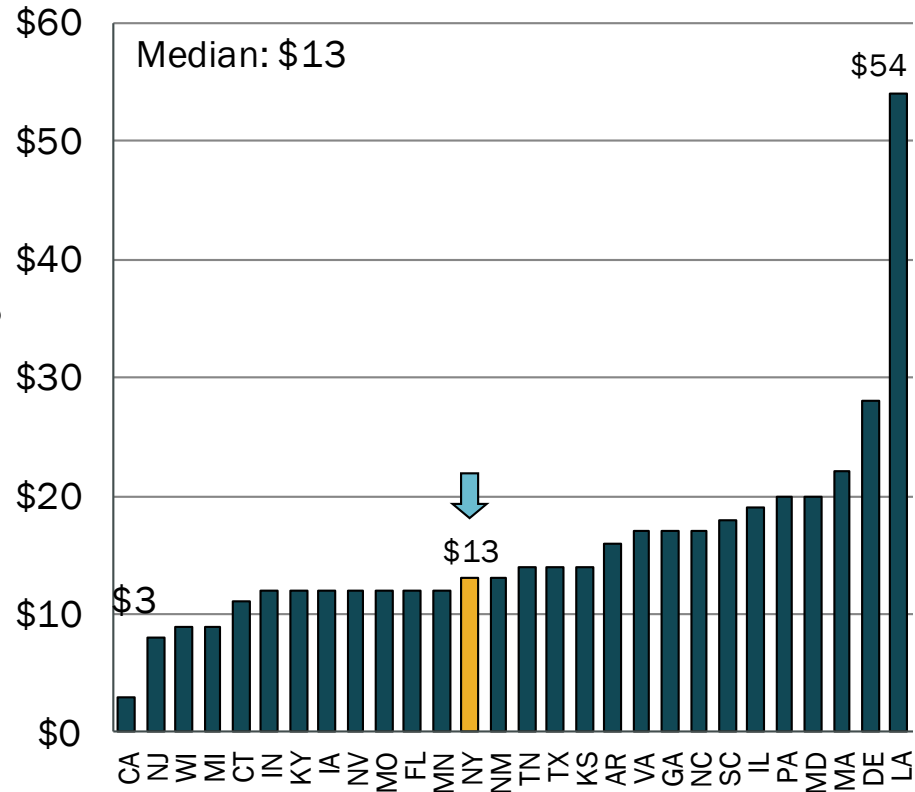
Source: *Interstate Variation And Trends In Workers' Compensation Drug Payments: 2018Q1 To 2021Q1 (2022)*

Rx Payments/Claim For Opioids: NY Had Largest Decrease 2018Q1–2021Q1; Typical In 2021Q1

Cum. % Change In Rx Payments/Claim For Opioids, 2018Q1–2021Q1



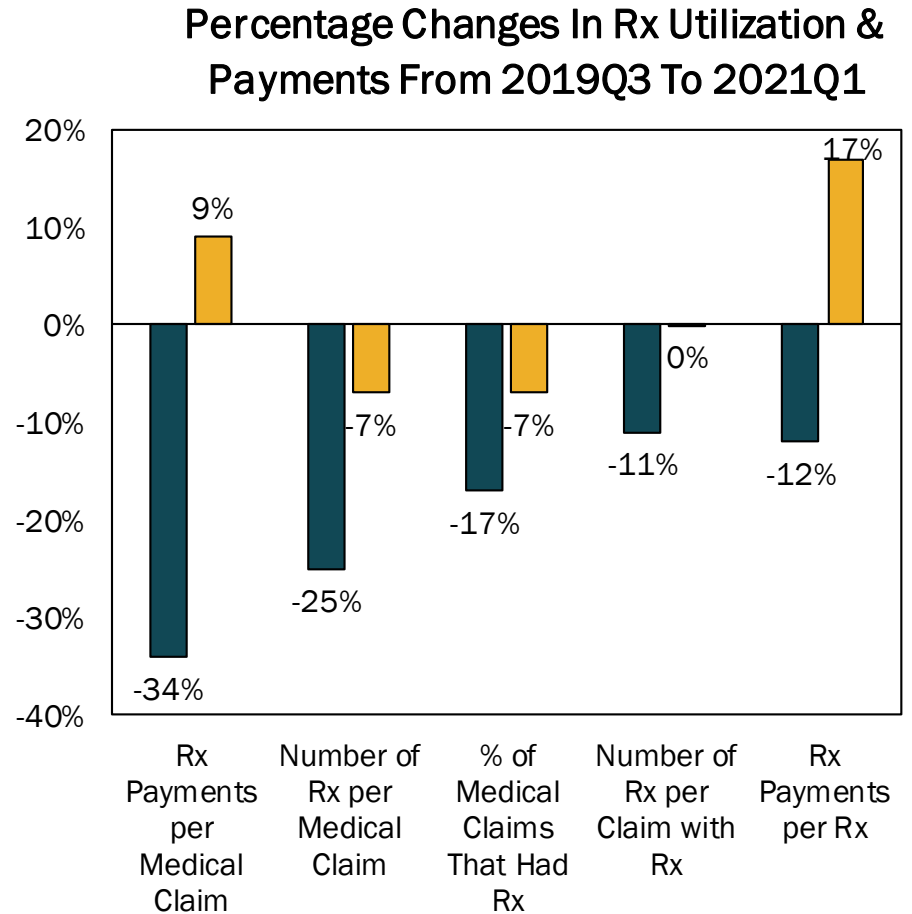
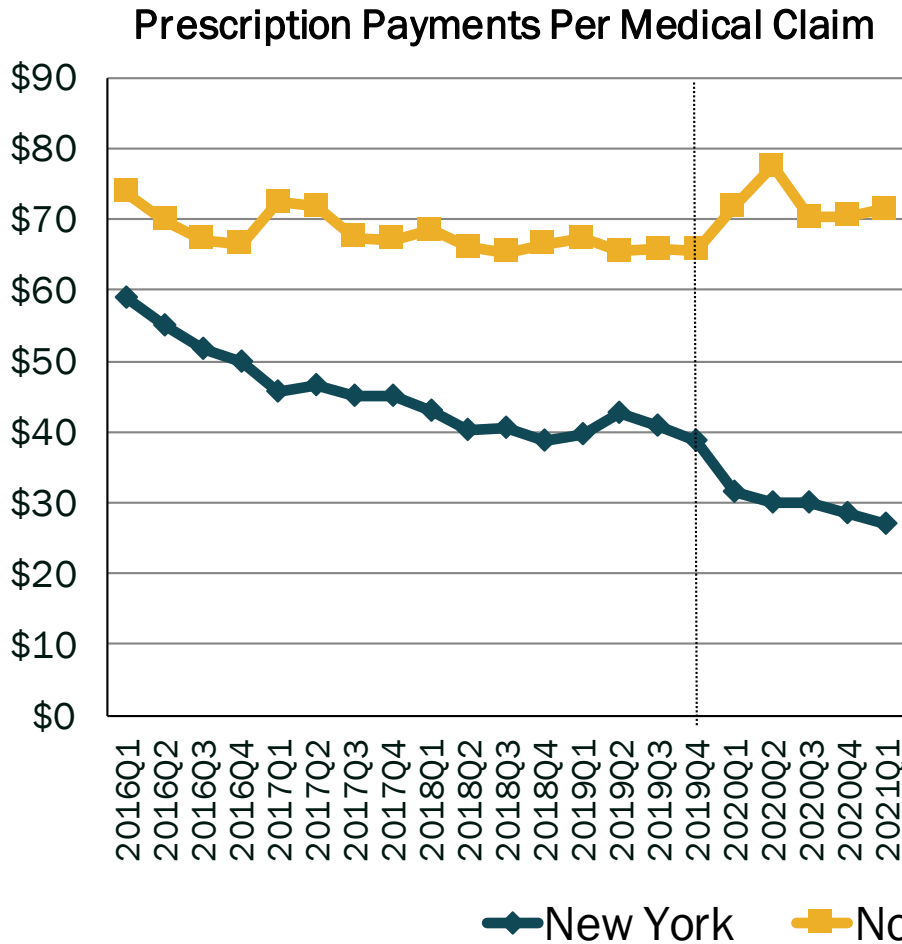
Rx Payments/Claim For Opioids, 2021Q1



Prescriptions Filled In Service Quarter 2018Q1 Through 2021Q1, For All Medical Claims With Injuries Occurring Within 3 Years Prior To The Prescription Fill Date.

Source: *Interstate Variation And Trends In Workers' Compensation Drug Payments: 2018Q1 To 2021Q1 (2022)*

Several Prescription Drug Metrics Decreased In NY Following Implementation Of Drug Formulary

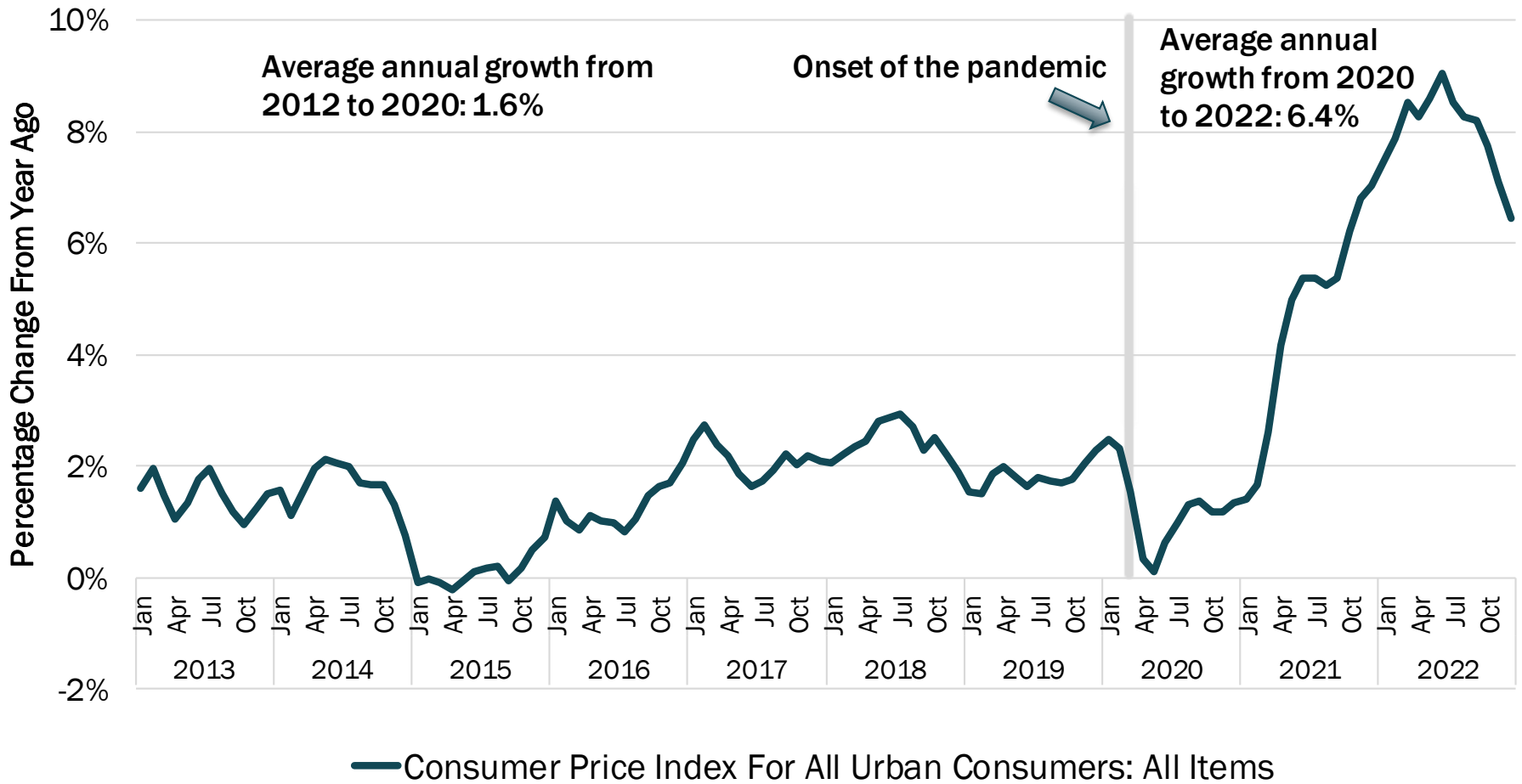


The underlying data include prescriptions filled in service quarters 2016Q1 (first quarter of 2016) through 2021Q1 (first quarter of 2021), for all medical claims with injuries occurring within 12 months prior to the service date.
 Source: *Monitoring Trends After Adoption Of California's Drug Formulary* (2023)

Selected Findings From Recent WCRI Research On New York Medical Payments & Treatment

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Growth In Overall CPI From 2020 To 2022 Significantly Faster Than In Previous Years



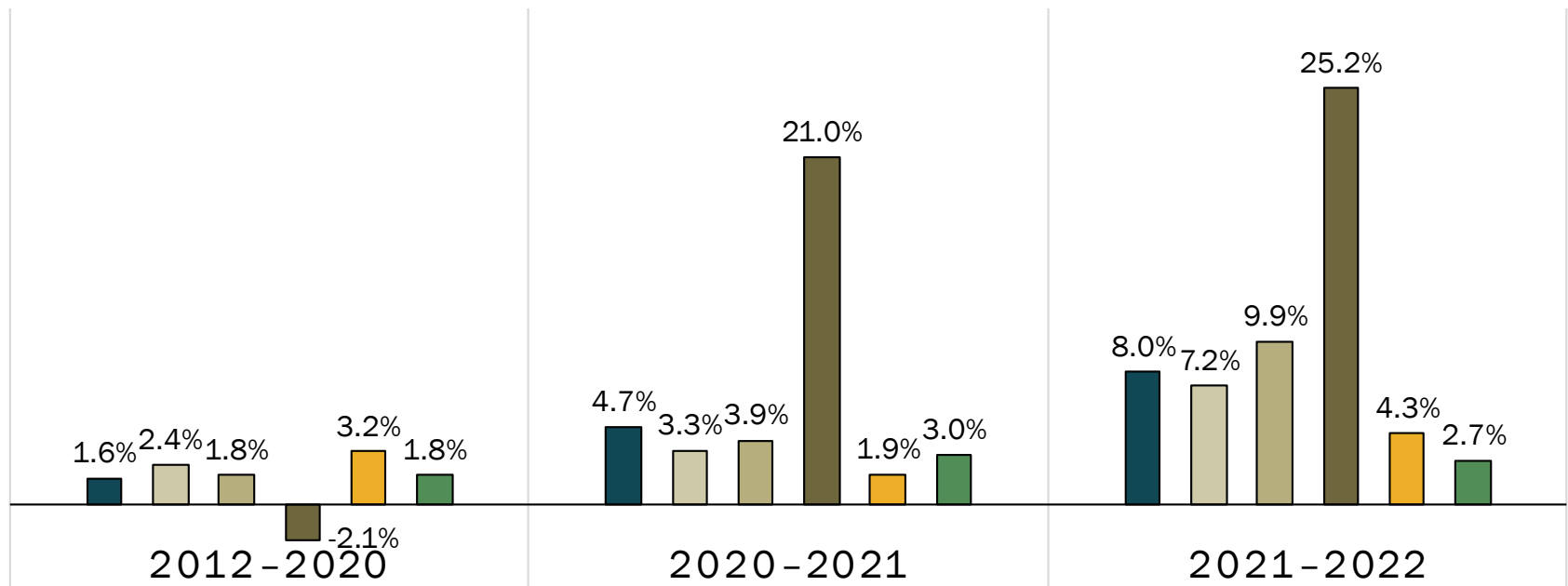
Source: Bureau Of Labor Statistics (<https://www.bls.gov/data/#prices>)

Note: This figure reflects data through December 2022.

Medical Inflation In Recent Years Similar To Earlier Period, Slower Than Other Major CPI Categories

AVERAGE ANNUAL % CHANGE:

- CPI-U: All Items
- CPI-U: Housing
- CPI-U: Food
- CPI-U: Energy
- CPI-U: Medical Care Services
- PPI: Health Care Services

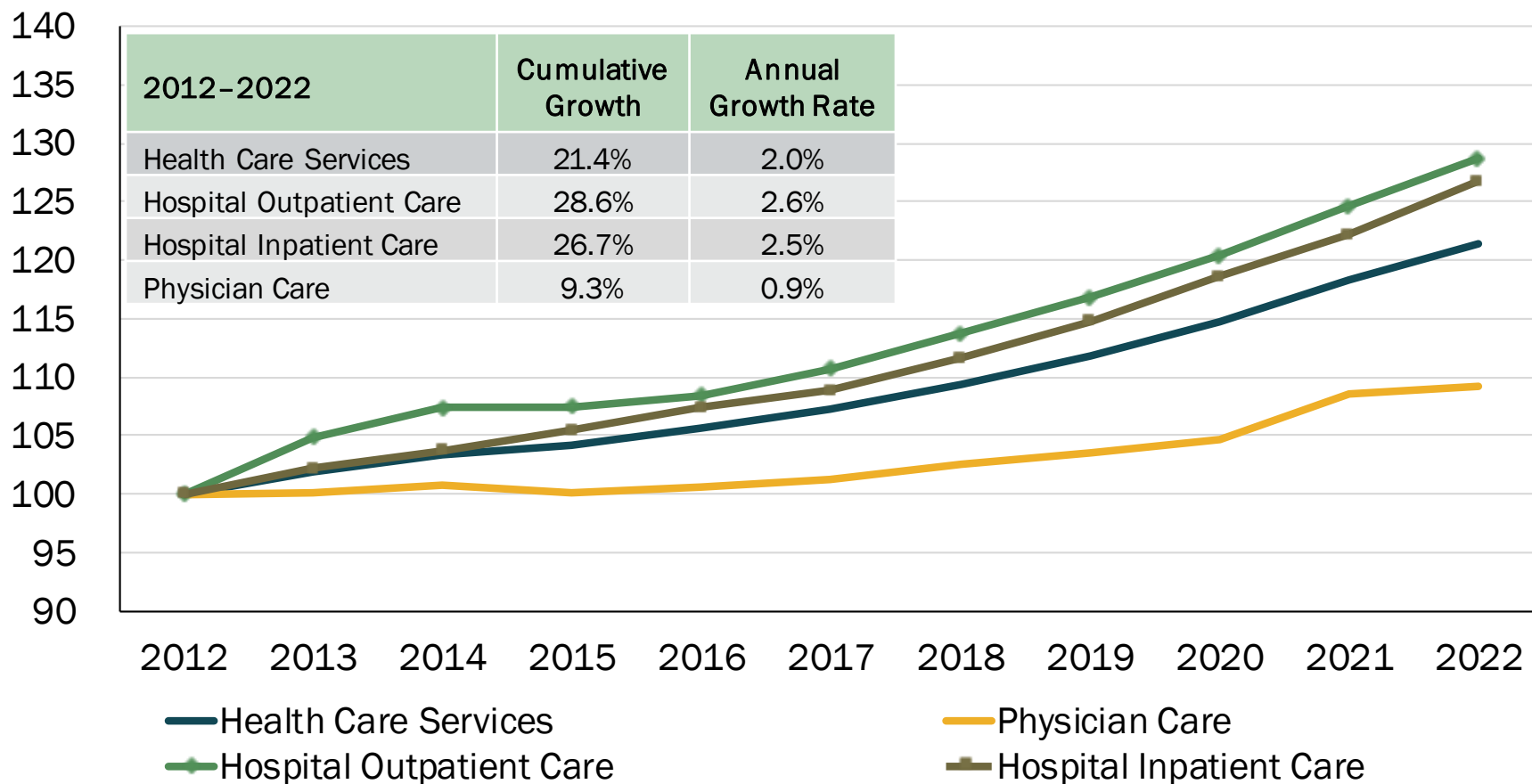


Relative importance of major consumption categories in total spending: housing 44.4%, food 13.5%, energy 6.9%, and medical care services 6.7%.

Source: Bureau Of Labor Statistics (<https://www.bls.gov/data/#prices>)

Growth In Hospital Payment The Major Driver Behind Health Care Inflation In United States

Producer Price Index:



Source: Bureau Of Labor Statistics (<https://www.bls.gov/ppi>)

What Factors May Lead To Higher Medical Inflation In The Future?

- Hospitals and medical providers face increased costs due to general inflationary trends

- Changes in pricing contracts and network discounts

- Labor shortages among health care professionals

- Enhanced negotiation power from hospital systems and medical provider consolidation

- Facility fees likely continue to rise

- Changes in injury mix and severity (e.g., aging workforce, pandemic impact on physical and mental health)

Thank You






- For comments/questions about the findings:

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- Save the date for WCRI's 40th Annual Issues & Research Conference, March 5 - 6, 2024, in Boston, MA. Learn more at <https://www.wcrinet.org>.