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Independence

FIELD HEARING BEFORE THE UNITED STATES SENATE
FINANCE SUBCOMMITTEE ON HEALTH CARE
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Written Testimony of Dr. Richard Snyder
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Senator Toomey, members of the subcommittee: Good afternoon and thank you for the invitation to testify at today's field hearing examining efforts to prevent opioid overutilization and misuse in government health care programs. My name is Dr. Richard Snyder and I am the Senior Vice President and Chief Medical Officer for Independence Blue Cross (Independence), based in Philadelphia. Through our parent company, Independence Health Group, we serve over 8.4 million people in 24 states and the District of Columbia, including more than 2.5 million people in Southeast Pennsylvania. For almost 80 years, we have been enhancing the health and well-being of the people and communities we serve.

We appreciate the opportunity to provide information regarding our efforts to address the ongoing opioid crisis. This national epidemic is widespread, affecting the American public with no regard for age, income, education, or geography. The over-prescribing and abuse of prescription opioids in the United States has reached epidemic proportions and Philadelphia's unfortunate status as the city with the cheapest and purest heroin in the country further exacerbates the problem in our region.

According to local health officials, approximately 1,700 people in southeastern Pennsylvania died in 2016 from an opioid overdose. While all 2017 data is not yet available, the Centers for Disease Control and Prevention (CDC) reports that Pennsylvania had the fastest growing rate of drug overdose deaths nationwide from July 2016 to July 2017.

Independence is not new to this fight. We have been working for years with the doctors, hospitals, and community partners in our region to refine our medical policies to reduce overprescribing, to protect appropriate access to therapy for those who are in need and to work collaboratively to make treatment options available for those trapped in a cycle of abuse or misuse.

Commercial Efforts to Reduce Overprescribing

Before discussing overprescribing patterns and policies in Medicare, it may be helpful to first walk through our efforts in the commercial health insurance space, where we have more discretion to implement medical policies that are consistent with the most recent and relevant clinical evidence.

- **Limiting High-Dose Opioid Prescriptions**: Since the beginning of 2015, Independence has required doctors to provide additional clinical documentation to prescribe our members high doses of opioids. In 2016, we updated these policies to reflect the most recent CDC prescribing guidelines.

- **Outreach to Outlier Prescribers**: We share the CDC's guidelines with our network providers and have specifically focused on the 1,250 prescribers who have exceeded them, providing member-level detail to enable prescriber review and modification. This outreach has resulted in nearly 60 percent changing or decreasing their prescribing habits.

- **Systems to Prevent Doctor Shopping and Improper Prescribing**: Our ongoing dialogue with local, regional, state, and federal law enforcement agencies, including the U.S. Attorney's Office for the Eastern District and the Pennsylvania Attorney General's Office, encourages valuable information sharing that can help prevent and deter fraud, such as doctor shopping or inappropriate prescribing practices. In 2017, our Investigations Division used tips and data analysis to review 141 cases of improper prescribing and dispensing, resulting in 14 individuals being convicted of insurance or prescription fraud.

- **Cumulative Five-Day Supply Limit**: In 2017, Independence became one of the first insurers in the country to restrict first-time, low-dose opioid prescriptions to a five-day supply limit, with an exemption for patients with cancer or terminal illnesses. During the last six months of 2017, the number of members using opioids dropped 22 percent and the number of prescriptions dropped 26 percent.

The results are promising. Since 2014, Independence has seen a major reduction in members using opioids, opioid prescription claims processed, and opioid dosages prescribed. This includes a 45% reduction in opioid users (45,000 fewer members), a 35% reduction in opioid prescriptions (100,000 total), and an 18% reduction in morphine equivalent dose.

Access to Effective Treatments

Beyond prescribing guidelines, we know many of our members need access to effective treatment services for opioid use disorder (OUD). Independence plan designs offer coverage for

a range of services, including detoxification, rehabilitation, outpatient programs, and counseling, as well as medication-assisted treatments (MATs), to treat substance use disorder.

We know that in addition to it being the right thing to do, getting our members with OUD into evidence-based treatment is a sound strategy for containing health care costs. We have done the analysis and know that an Independence member with unaddressed OUD utilizes about $10,000 more in healthcare services than a member with OUD who is being treated with an MAT, like buprenorphine or naltrexone. In other words, for every 100 members we can guide into effective treatment, Independence can save our members $1 million in claims costs.

This is why we have become one of the few commercial insurers that covers methadone and why we have removed initial prior authorization restrictions for common MATs. Our provider network includes 100 different substance abuse rehabilitation facilities and more than 5,000 behavioral health providers. We were also the first commercial insurer accepted by Caron Treatment Centers, one of the country's premier addiction treatment programs located in Pennsylvania.

How Medicare Prescribing Guidelines Work & Recommendations for Future Improvements

In the Medicare Advantage (MA) market, we are proud to be the most popular plan in Southeast Pennsylvania, including here in Bucks County. We share your concerns with the recent Department of Health and Human Services (HHS) Office of the Inspector General report that noted that one in three Medicare Part D beneficiaries received an opioid in 2016, including roughly 500,000 individuals who received opioid scripts of greater than 120 mg per day for at least three months.

Within Independence's MA membership, approximately 11.5% of beneficiaries utilized opioids in 2017, compared to less than 4.5% in our commercial membership. Approximately 400 members were designated as "at-risk" for an OUD due to a high daily dose use over an extended period of time. A total of 120 Medicare members participated in an addiction treatment program in 2017.

Within the Medicare population, there are differences in how Independence and other insurers can address and prevent OUD. It is important to keep in mind that HHS, specifically the Centers for Medicare and Medicaid (CMS), has established very specific and detailed rules that must be followed within the sphere of traditional Medicare and MA offerings. At times, this has meant that CMS has prevented Independence from putting reasonable limitations on prescribing.

For example, we recently experienced such a challenge when CMS rejected our initial 2018 High Dose Opioid Policy. As part of the criteria, Independence wanted the provider community to evaluate patients for non-pharmacologic treatment, such as physical and/or

psychological therapy. In response to that recommendation, CMS stated that: *"Criteria cannot require treatment parameters that are not managed by Part D. Delete the PA element or remove evaluation for non-pharmacologic treatment including but not limited to physical and/or psychological therapy requirements. Criteria appear too restrictive or overly burdensome."*

While this was unfortunate for the 2018 plan year, CMS made great strides in improving prescribing guidelines in the 2019 Final Call Letter, which sets annual program policies for MA. Starting in January, plans will have to limit initial opioid prescriptions to no more than a seven-day supply. In addition, for all other MA members previously prescribed opioids, CMS will now require a care coordination edit when daily prescribing guidelines have been exceeded, forcing plans and/or network pharmacists to engage with the prescribing physician. With these changes, Independence anticipates further prescribing decreases as the 2019 Medicare enhancements are operationalized.

As CMS works with plans to begin transitioning more MA members off of opioids if they do not fit the criteria for initial fills, the agency will need to allow and encourage additional flexibility for plans. Having seniors evaluated and transitioned to Part B benefits, such as physical therapy, is clinically appropriate in many instances and the agency should embrace these options as a potential non-pharmaceutical solution. Other non-opioid pain management therapies, such as acupuncture, which the FDA has included in its "blueprint" for non-medication based therapies, will need to be considered as a covered service under Medicare as the next phase of prescribing adjustments begin. Along with this greater flexibility in therapy, CMS should also consider integrating Pharmacy Quality Alliance performance measures (such as the proportion of beneficiaries prescribed more than 120mg for 90 days or longer) into the Star Rating program. Doing so will tie financial incentives to how well plans work with their provider partners to reduce unnecessary opioid prescribing, which is beneficial for patients, for providers, and for plans.

Additionally, the future expansion of MA care coordination efforts may require updates to federal privacy statutes. Alerting the primary care physicians of Independence members who have been treated for OUD at a separate facility is currently prohibited under federal law by 42 CFR Part 2. This is not the case for a member who has been treated for a heart attack or diabetes in the ER. Care coordination parity, or treating OUD records the same way other health records are treated under the Health Insurance Portability and Accountability Act (HIPAA), is essential in the battle against the opioid epidemic. We all recognize the vital need to appropriately share important health factors across the provider spectrum, while maintaining a patient's right to privacy. Aligning Part 2 with HIPAA is a necessary and integral piece of the regulatory framework that we believe will ensure providers have the full and accurate understanding of a patient's medical history that is necessary for appropriate care at the appropriate time at the appropriate level.

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Overutilization Monitoring & At-Risk Beneficiaries in Medicare

Independence regularly communicates with CMS on opioid overutilization. This is done through the agency's Overutilization Monitoring System (OMS) to identify members who may be at-risk of diverting and abusing opioids. In the current Level 3 retrospective opioid overutilization program, members are identified on a monthly basis using a rolling six-month look-back period based on the following criteria: (1) use of opioids with an average daily dose greater than or equal to 90mg, and (2) either four or more prescribers and pharmacies, or six or more prescribers, regardless of pharmacies. Under these criteria, very few Independence members are identified annually and when they are, the situation is evaluated immediately.

The prescribers of the identified members are reviewed according to specialty to determine appropriate targeting for case management communications and interventions. Independence schedules a telephonic conversation with the prescribers and the corresponding pharmacists, either together or separately.

The process will result in either prescriber verification of the appropriateness of the member's opioid therapy or, more likely, we will implement a point-of-sale benefit edit for the member to prevent them from continuing to access that level of opioids. The member is notified in writing and they are reminded of their ability to appeal the limit. CMS requires plans to report back on the outcome of these incidences. When necessary, Independence refers cases to our internal Criminal Investigations division for potential referral to law enforcement.

Independence supports CMS's efforts to expand these criteria in 2019 to include other potentiator drugs (such as benzodiazepines) and agrees that these criteria and reporting requirements could be expanded further still. We look forward to working with CMS on this endeavor and we will be submitting our comprehensive feedback to the agency in the coming weeks.

Treatment Gaps in Medicare

In terms of services and treatments that are covered for those who have been diagnosed with an OUD, we follow the requirements defined by CMS. As a MA plan, we are required to cover the same benefits as original Medicare. These are not inclusive of all options made available to our commercial members.

One of the Medicare treatment gaps is the lack of coverage for methadone when it is administered in an outpatient setting as part of MAT. While not many of our commercial members have utilized our coverage for this MAT, it can be suitable and effective for certain members. The lack of coverage for sub-acute inpatient services at residential treatment centers (RTCs), which can be an appropriate setting after detoxification, is another current treatment gap. Currently, Medicare members are discharged to a partial hospitalization program, an

intensive outpatient program, or professional outpatient services following their initial detoxification. Beneficiaries may be more successful in treatment with the introduction of an interim stage, such as a step-down to a RTC, for a discrete period of time.

On behalf of Independence and our CEO Dan Hilferty, I want to thank you for the opportunity to share my thoughts with you today. We are committed to finding solutions that will curtail overprescribing, protect the appropriate use of opioids, and enable access to effective treatment of OUD. We all want to end this epidemic that is ravaging our communities and our nation. We are losing too many of our friends, family members, and community to this disease. While we are making significant progress, there is much more work to be done. We look forward to working with CMS and Congress on finding sensible policy solutions to aid in this fight.

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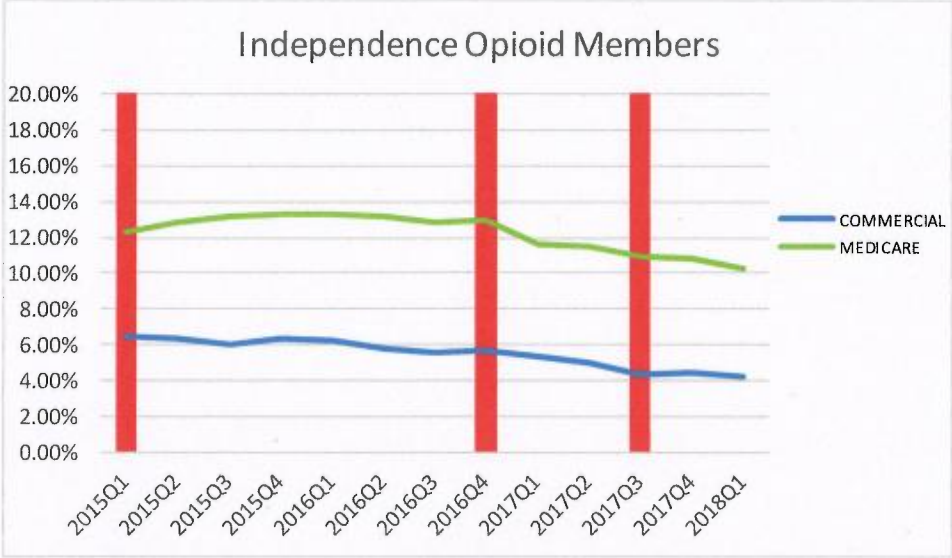

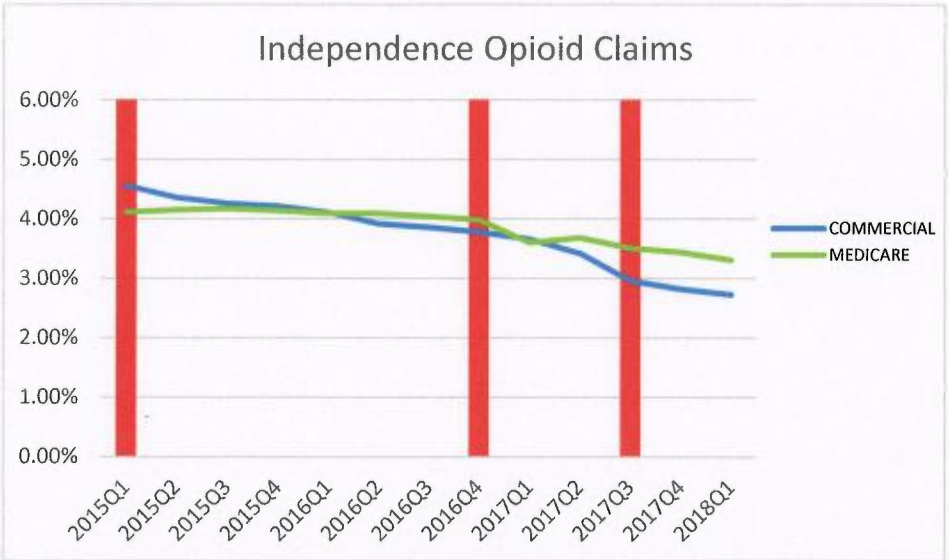

Q1 2015 – Q1 2018	Commercial	Medicare
Reduction in Opioid Utilizers	**-35%**	**-16%**
Reduction in Opioid Claims	**-40%**	**-19%**

**The red bars in the first two graphs indicate the implementation of new prior authorization policies on commercial market opioid prescribing in 2015 and 2016 as well as the 5-day initial limit instituted in 2017. These changes are detailed on page 2 of this document.*