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BEST DOCTORS[®] OCCUPATIONAL HEALTH INSTITUTE AND A.I.M MUTUAL INSURANCE COMPANIES PRESENT RESULTS FROM PHARMACEUTICAL MANAGEMENT PROGRAM

**Pharmaceutical costs and work-related injuries;
*When reducing costs means improving quality of care***

The management of pharmaceutical costs continues to be a frustrating and vexing challenge for workers compensation insurers. No sooner has one expensive brand name medication gone generic, than a new brand name wonder drug moves into take its place. Goodbye Neurontin[™], hello Lyrica[™]. While we can all agree that pharmaceuticals can and are valuable therapeutic tools, what claim adjustor has not pulled his or her hair out over the extended use of such medications as Oxycontin[™] and Duragesic[™]. According to Laurie Parsons, Technical Claim Directors at A.I.M. Mutual Insurance, "This is precisely the situation we found ourselves in a little over two years ago." At that time the executive leadership commissioned a study by Best Doctors Occupational Health staff to review "fat" files of settled cases that were continuing to have very high monthly pharmaceutical spending.

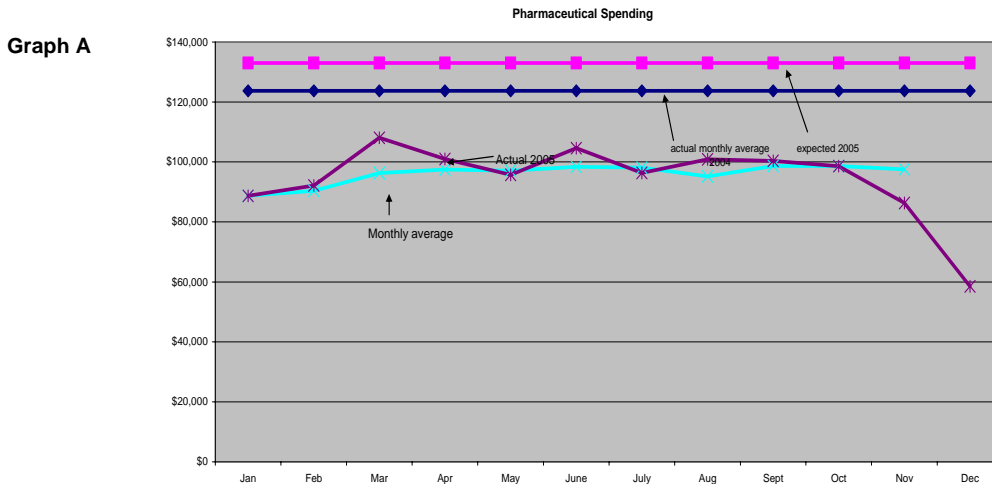
According to Parsons, "The study revealed that unlike the group health environment, pharmaceutical expenses in workers compensation were being driven by pain medications and primarily by brand name extended release opiates, cox-2 inhibitors and anticonvulsants." What was also discovered was that many of the injured workers appeared "forgotten" by the medical community, with prescriptions being renewed, but very little therapeutic effort being invested to improve patient function or wean patients off of addictive drug regimes.

A.I.M. Mutual executives shared their concerns with state regulators and with the assistance of BDOHI staff, the constructive guidance of state regulators and the support of their pharmacy benefit management (PBM) organization implemented a multi-faceted approach to improve care and manage costs.

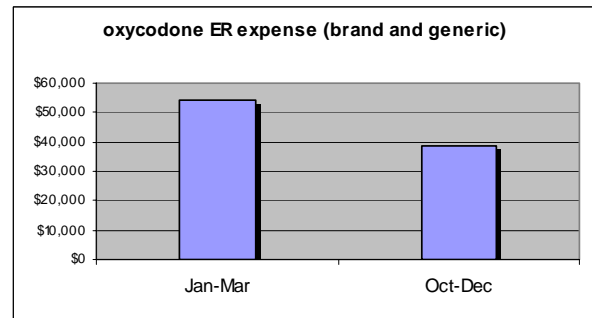
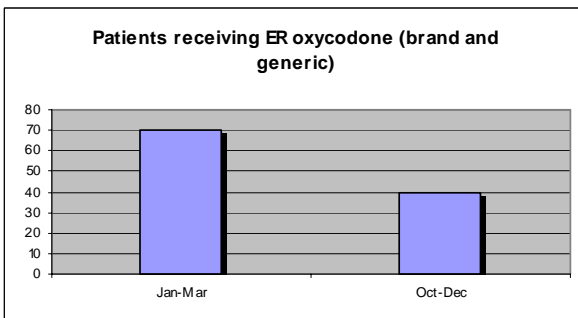
Specific tactics included:

1. the development and distribution of an opioid agreement to be completed by both treating patient and prescribing physician
2. Peer to peer consultation between the BDOHI Medical Director, Carol Hartigan MD and the prescribing physician
3. Working with the PBM, implementation of a “step therapy” program prior to the prescribing of Cox-2 inhibitors
4. Weekly review of all medications prescribed looking for “clinical outliers”.

While the initiative has been only operational for one year, the results are already measurable. The graph below (graph A) shows the overall drug spending in 2005 (light blue line) compared to actual 2004 (dark blue line) and projected 2005 (magenta line).



The chart below highlights the number of patients being prescribed extended release oxycodone¹ comparing the first quarter of 2005 (70 patients) and the fourth quarter. (40 patients), a **43%** reduction. That has translated into a direct reduction in extended release oxycodone expenses from **\$54,330** for the first quarter of 2005 to **\$38,521** in the fourth quarter.



¹ Includes both brand and generic

The bottomline, according to Michael J. Shor MPH, Managing Director of the Institute, is simple, "The real problem is developing and implementing effective strategies to help patients manage their pain. If we pay more attention to that, if we work constructively with treating physicians who are doing the work... and we help patients be better stewards of their own care, everyone wins...what a concept!"

About BDOHI

The Best Doctors[®] Occupational Health Institute has several goals and objectives.

The goals

- Improve the quality of care for patients suffering from work-related injury.
- Reduce the suffering and economic waste caused by inappropriate and untimely care.
- Help injured employees return to their vocations and their pre-injury lifestyles safely and responsibly.
- Reduce the clinical and therapeutic friction associated with conflicting incentives common to work-related injury.

The objectives

- Bring together in a medical community, like-minded physicians, exceptionally skilled within their medical specialties, sensitive to the importance of enabling patients to return to vocational independence and productive, rewarding lives.
- Promote excellent care through the creation of interdependent clinical teams composed of physicians, nurses and allied health professionals and the patient.
- Support medical, nursing and allied health practice through the development of evidence-based clinical pathways with a focus on physical and psycho-social "risk factors" for refractory recovery.
- Identify and equitably reward best practices using readily available clinical and vocational outcomes data.

For more information please visit, www.bdohi.org

Contributors

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