



Workers' Compensation

PRESCRIPTION DRUG DIVERSION

THE HIGH COST OF DRUG ABUSE

Workers' Compensation providers spent over \$3 billion providing prescriptions to injured workers last year; 52% of that amount was spent on "painkillers." The illegal use or subsequent sale of prescription drugs puts a huge strain on our health system. Drug diversion can increase costs to health care insurers by a whopping \$27 billion per year. Drug diversion is defined as any use of legal prescription medications for other than the legitimate medical purpose for which the drug was prescribed. We cannot continue to overlook this type of fraud.

A recent study examined the comparative health costs of treating a drug abuser versus a non-abuser. The findings were no surprise. The average cost of treating a non-abuser was \$1,830. The cost associated with a drug abuser swelled to \$16,000.

Workers' compensation providers are in the best position to be able to determine if drug diversion is occurring. The person paying the bills knows, or should know with a little due diligence, the amount of prescriptions being obtained by the recipient. Plan administrators are in the best position to detect if medications are being obtained from multiple sources or if a physician is not prescribing medications in a medically appropriate manner. In either event, these suspicions need to be referred for an investigation.

An interesting trend is emerging with an increase in drug diversions. The number of injured workers taking side jobs to help offset their loss of income while receiving benefits has been decreasing nationally; primarily due to workers finding a more lucrative and untraceable source of income – the sale of their prescription meds.

The street value for pain medication is staggering. OxyContin, for example, has a 430% street markup. By prolonging treatment to obtain unnecessary pain medication, vast amounts of money can be made. In addition to extending treatment with nonexistent pain symptoms, several other drug diversion tactics are common.

Forged or altered prescriptions are a popular way to obtain illegal quantities of prescriptions. Older methods of using correction fluid to blot out the amount of pills to be obtained have given way to the use of fingernail polish remover. Prescriptions can also be altered instead of "washed." A prescription for 10 tablets can be easily made to look like 70. The patient then returns to the medical provider after a week for another prescription and the doctor is none the wiser. "Doctor shopping" is another method. Doctor shoppers visit multiple practitioners, which can easily occur if the injured worker is obtaining medications from a health insurance provider in addition to the workers' compensation provider.

Although the vast majority of practitioners are honest and provide legitimate medical care, a small percentage does engage in true criminal behavior. Investigations have focused on physicians who exchange improper prescriptions for money, other street drugs or in some instances, sex. These physicians are nothing less than drug dealers and should be treated as such.

Plan managers must become more aggressive in looking for potential drug diversions. The time for blindly writing the checks for prescription medications has long passed. If the cost of drug diversion is not reason enough, the potential for liability should be a wake up call. Recently, pharmacies have been held liable for failing to exercise due diligence by allowing overuse of pain medications. The same rationale may be applied to plan administrators if the overuse of pain medications is blindly approved time after time.

The abuse of prescription medications certainly has become a national problem. The National Institute of Health reports that 20% of Americans have abused prescription medication, and the number is growing. With cooperation between plan administrators, health care providers and law enforcement, we can start to take a bite out of this form of fraud. For more information, readers are encouraged to contact the National Association of Drug Diversion Investigators (NADDI) or visit their website at: www.naddi.org.

Anyone suspecting this type of fraud or any fraud associated with workers' compensation should contact the Attorney General's fraud hotline at **1-800-266-8688**. Other information about detecting workers' compensation fraud is also available on our website: http://ag.nv.gov/About/Criminal_Justice/Workers_comp/

Brian Kunzi; Director, Workers' Compensation Fraud Unit

(Revised 3/18/2016 – updated website)

