

# Prescription Drug Monitoring Programs: A Cost-Saving Tool for Employers



*In 2009, 16 million Americans aged 12 years or older had taken a prescription pain reliever, tranquilizer, stimulant, or sedative for nonmedical purposes at least once in the past year.<sup>1</sup>*



## ■ Prescription Drug Abuse Impacts Workplaces

A recent study estimated that, in 2006, the total cost of nonmedical use of prescription opioids in the United States was \$53.4 billion;<sup>2</sup> of this total, \$42 billion was attributable to lost productivity. Prescription Drug Monitoring Programs (PDMPs) have the ability to assist clinicians with controlling inappropriate prescribing while facilitating appropriate prescribing.

## ■ Purpose/Mission of PDMPs

PDMPs are housed in different State agencies that may include regulatory boards and health departments, as well as law enforcement, consumer protection, and substance abuse agencies. Although each State has a different set of goals for its PDMP, those goals are generally based on several possible objectives of prescription drug monitoring<sup>3</sup>:

- education and information for prescribers, pharmacists, and the public;
- information that can be used for public health initiatives and to address problems such as under- and over-utilization and inappropriate prescribing;
- early intervention and prevention of drug abuse;
- enforcement of laws and regulations governing licit controlled substances; and
- protection of confidentiality of data.

PDMPs are effective in reducing diversion of controlled substances and improving clinical decision-making, thus helping to curb the prescription drug abuse epidemic.<sup>4</sup> Major sources of drug diversion include prescription fraud; forgeries; doctor shopping; and illicit, medically unwarranted prescribing and dispensing on the part of some practitioners and pharmacists.<sup>4</sup> PDMP data also can help inform sound clinical decision-making to assure that prescriptions are medically necessary, thereby reducing illicit use of controlled substances.<sup>4</sup>

## ■ How PDMPs Work

PDMPs collect, monitor, and analyze electronically transmitted dispensing data submitted by pharmacies and, in some cases, dispensing practitioners.

PDMPs produce a patient history and activity report for each patient. These reports provide a physician with a list of all controlled substance prescription drugs prescribed to the patient, the name of the practitioner issuing each prescription, and the pharmacy where each prescription was filled. Generally, PDMPs distribute data to authorized medical professionals upon request; in some States, PDMPs distribute data proactively. The patient activity report assists the physician in determining if a patient altered the quantity of drugs prescribed or forged the physician's name on prescriptions. The report also flags doctor shopping that yields multiple doses of a controlled substance. Information about each State's PDMP may be found at <http://www.pdmpassist.org/content/state-profiles>.



## ■ *PDMPs Save Employers Money*

- PDMPs reduce unnecessary and costly prescriptions for painkillers and other addictive and controlled medications. They also reduce the physician visits and diagnostic tests required to get those prescriptions.
- PDMPs can help identify employees who may need a referral to treatment and identify those employees who are being undertreated and subsequently visiting emergency departments to get relief via pain medication.
- PDMPs increase employee readiness and productivity by reducing abuse and allowing patients to get adequate treatment.
- PDMPs result in widespread cost-savings.

Prescription drug abuse leads to decreased productivity through lost work days due to incarceration, reduced productivity at work because of poor health, and premature death.<sup>7</sup> In addition, when an employee or covered dependent abuses prescription drugs, their employer incurs the cost of most of their misused prescription drugs. In Wisconsin, as a result of using PDMPs, it was predicted that the State could save \$9,290,000 in avoided opioid use.<sup>5</sup> Preliminary data from the State of Washington indicate that PDMP usage can achieve a cost-savings of \$6,000 per client per year in Medicaid services.<sup>8</sup> PDMPs can also provide large cost savings in workers' compensation.

## ■ *Employers Should Promote Use of PDMPs by Clinicians*

**Employers should request that doctors included in the company's health plan use PDMPs**

States with PDMPs save on health care benefits through reductions in (1) admissions for inpatient and outpatient addiction treatment, (2) prescription drug overdoses and associated health problems, and (3) prescription drug costs associated with employer-funded purchases of drugs diverted to abuse.<sup>5</sup> One study estimated that using PDMPs nationwide could reduce health care costs by \$113 million (2010 dollars).<sup>6</sup>

**Plan administrators should promote PDMP use by plan providers**

Currently, plan administrators cannot monitor clinician usage of PDMPs. It may be desirable to work toward PDMPs' issuing periodic reports on clinician usage.

## ■ *Resources*

- 1 Substance Abuse and Mental Health Services Administration. (2010). *Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings* (Office of Applied Studies, NSDUH Series H-38A, HHS Publication No. SMA 10-4586 Findings). Rockville, MD.
- 2 Hansen RN, Oster G, Edelsberg J, Woody GE, Sullivan SD (2011). Economic costs of nonmedical use of prescription opioids. *Clinical Journal of Pain* 27(3): 194-202.
- 3 Alliance of States with Prescription Monitoring Programs. (1999). The Goals of Prescription Monitoring. <http://www.pmpalliance.org/pdfs/resourcespdfs/goalsprescripmonitor.pdf> (accessed August 1, 2012).
- 4 Prescription Monitoring Program Center of Excellence. *Briefing on PMP Effectiveness* (February 2011).
- 5 Wang J, Christo P. (2009). The Influence of Prescription Monitoring Programs on Chronic Pain Management. *Pain Physician* 12(1): 507-515.
- 6 Sorg M, LaBrie S, Parker W. (2009). *Analysis and Evaluation of Participation By Prescribers and Dispensers in the Maine State Prescription Monitoring Program*. Margaret Chase Smith Policy Center.
- 7 Birnbaum H, White A, Reynolds J, Greenberg P, Zhang M, Vallow S, Schein J, Katz N. (2006). Estimated Costs of Prescription Opioid Analgesic Abuse in the United States in 2001. *Clinical Journal of Pain*. 22(1): 667-676.
- 8 [http://www.pmpalliance.org/pdf/PPTs/National2012/16\\_HodgsonStatePanelInnovationsWashington.pdf](http://www.pmpalliance.org/pdf/PPTs/National2012/16_HodgsonStatePanelInnovationsWashington.pdf) (accessed August 1, 2012).



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