



NCCI: Prescription Drugs Account for an Estimated 19% of Workers Comp Costs

Prescription drugs account for an estimated 19% of workers compensation medical costs in 2009, according to an annual report released Monday by NCCI Holdings Inc. (NCCI)

In 2010, NCCI identified a sudden and significant growth in the share of workers compensation drugs dispensed by physicians.

Workers compensation medical costs per claim average more than \$6,000 and soar to nearly \$25,000 for lost-time claims. This update examines workers compensation prescription drug (Rx) use, a medical expense that makes up 19% of all workers compensation medical costs.

Key Findings

- The indicated Rx share of total medical is 19%; this is slightly higher than the estimate given in a 2010 update.
- OxyContin® climbs from the #3 workers' compensation drug in Service Year 2008 to #1 in Service Year 2009.
- Hydrocodone-Acetaminophen drops from the top workers compensation drug in Service Year 2008 to #3 in Service Year 2009
- Recent overall cost increases are driven more by utilization increases than by price increases
- Physician dispensing continues to increase in Service Year 2009 in almost every state
- Increased physician dispensing is associated with increased drug costs per claim
- Per-claim Rx costs vary significantly by state

This report first looks at the countrywide share of workers compensation medical costs due to prescription drugs and the impact of price and utilization changes on those costs. We then look at physician dispensing. Finally, we look at costs by state and some drivers of those costs.

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