California Workers' Compensation Institute
1333 Broadway Suite 510, Oakland, California 94612 • Tel: (510) 251-9470 • Fax: (510) 763-1592

September 6, 2017

VIA E-MAIL – dwcrules@dir.ca.gov

Maureen Gray
Regulations Coordinator
Division of Workers' Compensation, Legal Unit
P.O. Box 420603
San Francisco, CA 94142

Re: 30-Day Comments on Proposed Updates to the MTUS (ACOEM)

Dear Ms. Gray:

These comments on proposed evidence-based updates to the Medical Treatment Utilization Schedule (MTUS) are presented on behalf of members of the California Workers' Compensation Institute (the Institute). Institute members include insurers writing 83% of California's workers' compensation premium, and self-insured employers with $65B of annual payroll (30% of the state's total annual self-insured payroll).

Insurer members of the Institute include AIG, Alaska National Insurance Company, Allianz Global Corporate and Specialty, AmTrust North America, Berkshire Hathaway, CHUBB, CNA, CompWest Insurance Company, Crum & Forster, EMPLOYERS, Everest National Insurance Company, The Hartford, ICW Group, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Insurance, Republic Indemnity Company of America, Sentry Insurance, State Compensation Insurance Fund, State Farm Insurance Companies, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members include Adventist Health, BETA Healthcare Group, California Joint Powers Insurance Authority, California State University Risk Management Authority, Chevron Corporation, City and County of San Francisco, City of Torrance, Contra Costa County Schools Insurance Group, Costco Wholesale, County of Alameda, County of Los Angeles, County of San Bernardino Risk Management, County of Santa Clara, Dignity Health, Foster Farms, Grimmway Farms, Kaiser Permanente, Marriott International, Inc., Pacific Gas & Electric Company, Safeway, Inc., Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Shasta-Trinity Schools Insurance Group, Southern California Edison, Special District Risk Management Authority, Sutter Health, University of California, and The Walt Disney Company.

Recommended revisions to the proposed regulation are indicated by underscore and ~~strikeout~~. Comments and discussion by the Institute are identified by *italicized text.*

The Institute welcomes this update of the MTUS Guidelines that ensures that treatment for injured workers is guided by evidence-based treatment guidelines that are internally consistent, and are the most current from ACOEM. The Institute also appreciates that the Administrative Director proposes the updated guidelines to be in place by the effective date of the MTUS Drug Formulary. The Institute's commentary will be limited to suggesting a few improvements.

The Institute requests that the Division consider the following recommendations:

Naloxone Recommendation (Opioids Guideline)
In its Opioids Guideline, ACOEM recommends naloxone (Narcan) for the prevention of overdose in those patients on greater than 50 mg MED and for those patients who have already overdosed but have not yet been tapered. Some stakeholders will interpret the Guideline to mean that only the nasal spray delivery of naloxone is recommended, while others may interpret this Guideline to mean that any delivery system of naloxone is recommended.

The Initial Approaches to Treatment chapter of the ACOEM Guidelines includes a "recommended – insufficient evidence" discussion that, absent evidence to the contrary, drugs in the same class are presumed to have the same degree of efficacy. In this same chapter, we also see that cost is a factor to consider in the use of *oral* pharmaceuticals. Although naloxone is not an oral pharmaceutical, cost efficiency is a significant issue for this particular drug. Despite these general approaches to medication treatment, clarification concerning the naloxone recommendation is suggested for reasons outlined below.

Narcan (two-pack) nasal spray kits cost about $125, whereas the Evzio "talking" two-pack auto-injector kit currently bears a Wholesale Acquisition Cost of $5,125. The makers of Evzio recently replaced the .4mg dose auto-injector kit with a 2mg version after receiving FDA approval. Even before that change, however, the price of Evzio skyrocketed in only one year's time.

Using CWCI IRIS[1] paid data, for service years 2015 through 2016, CWCI found that 87 percent of all naloxone prescriptions in California workers' compensation were for the brand name auto-injector kit (Evzio). In addition, the Institute found that the average price paid for the Evzio kit soared from an average of $664.57 in 2015 to $3,549.43 in 2016 (including the $7.25 dispensing fee). In contrast, during that same two-year period, naloxone nasal spray kit (Narcan) was paid at an average of just $132.29; and the non-Evzio injectable naloxone kits (.4mg) were paid at an average of $51.53 (all including the dispensing fee).

Narcan nasal spray kits are currently available in both 2mg and 4mg versions. Narcan nasal spray is an appropriate therapeutic equivalent for Evzio's auto-injector kit, but at a mere fraction of the cost. The Institute recommends that the Division suggest that ACOEM amend its naloxone recommendation to clarify that there is no evidence that the "talking" auto-injector delivery of naloxone (Evzio) is superior to the nasal spray (Narcan) in saving lives.

[1] IRIS is CWCI's proprietary database containing data on employee and employer characteristics, medical service data, benefits, and administrative costs on approximately 5.3 million California workers' compensation claims.

Recommendation:
Ask ACOEM to clarify naloxone recommendation to indicate that there is no empirical difference between the various delivery systems for naloxone.

Format Issues: Missing Tables of Contents & Placement of Tables and Studies
Table of Contents is missing in various proposed chapters (*e.g.:* Elbow Disorders; Hand, Wrist, and Forearm Disorders; and Hip and Groin Guidelines chapters). Furthermore, the tables and supporting studies in each subsection make searching 12 of 14 chapters overly laborious and time consuming.

The Institute recognizes that users have the option of paying to use the Reed Group's website and search function (at MDGuidelines.com); however, some users will attempt to use the Guidelines posted on the Division's website. Accordingly, enabling ease of use (especially for requesting physicians) is important.

Recommendation:
Include a Table of Contents for all Guidelines with embedded links for ease of use.

Home Health Care Services (HHC) – Initial Approaches to Treatment Guidelines
The Initial Approaches to Treatment Guidelines section states that home health care is selectively recommended "on a short term basis" after hospitalization or a major surgical procedure; when deficits in ADLs necessitate such; and in cases where it is needed to prevent re-hospitalization. Furthermore, it is noted that reassessments of the continuing medical need for home health care is to be done at "regular intervals." However, "short term" and "regular intervals" are not defined.

***Recommendation*:**
The Institute suggests that ACOEM or the Division consider providing guidance on what "short term" means, as well as how often the need for home healthcare should be revisited (i.e., what does "regular intervals" mean?).

Compounded Topicals
The Institute recognizes that the Initial Approaches section provides a preference for individual topical FDA-approved drugs over compounded drugs. However, some topicals are "recommended" (*e.g.*, topical NSAIDs, topical capsaicin, and Lidocaine patches in the case of neuropathic pain) within the Chronic Pain Guidelines, without qualification or reference back to the Initial Approaches to Treatment section on this subject.

***Recommendation*:**
The Institute suggests communicating clear preference for FDA-approved and/or OTC monograph topicals whenever they are recommended, or referencing back to the Initial Approaches to Treatment on this subject to avoid confusion.

Thank you for the opportunity to comment, and please contact us if additional information would be helpful.

Sincerely,

Denise Niber
Claims & Medical Director

DN/pm

cc: Christine Baker, DIR Director
George Parisotto, DWC Acting Administrative Director
Raymond Meister, M.D., Executive Medical Director
John Cortes, DIR Counsel
CWCI Claims Committee
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