

ThinkAdvisor

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Insurance and the Opioid Crisis

This is the insurance community's problem, too.



One of the interesting aspects of insurance is that it is always front and center with societal change. Whatever is happening in society at large ends up in the lap of insurance. There's a good reason for this.

There are very few industries that are asked to be a part of every change in society as is insurance. Because our industry is a data driven business that has been protecting businesses and people for several hundred years, it has data that can help to explain every crisis that comes down the pike.

The Insurance Institute for Highway Safety began in 1959 to do something about reducing traffic deaths. Back then the IIHS was working on automobile design and seat belts. In the 1980's the issue was drunk driving

because driving while intoxicated was a factor in a very large percentage of automobile deaths. And, over the years, the influence of the IIHS as well as insurance can be seen in the crash worthiness ratings the IIHS publishes annually.

But now there is a new crisis begging for the type of response the insurance industry had in forming the IIHS. Right now the granddaddy of societal change is staring us in the eye. That issue is the opioid crisis. With over 70,000 (more than double the number of people killed in automobile accidents) people dying each year from opioid use, and millions addicted, it makes me wonder about the role of insurance companies could play this situation.

Consider this simple fact: Insurance companies, both health and property & casualty, are significant actors in this crisis. After all, insurance is being used to pay the pharmacy for the prescription, whether that prescription was written as part of a formulary of a health insurance company or for a workers' compensation claim. In addition, if you flip over to the liability side, insurance companies are the ones paying for the malpractice claim that is filed against a physician or hospital for wrongful death when opioids are involved.

It seems that for a very long time the pharmaceutical companies were able to manage and control to a certain extent the release of information via the media, medical researchers, and government. But with 70,000 dead each year the numbers are almost too staggering to fully comprehend.

From data provided by the U.S. Centers for Disease Control and Prevention in 2016:

- In 2016 health care providers across the U.S. wrote more than 214 million prescriptions for opioid pain medication – a rate of 66.5 prescriptions per 100 people.
- As many as 1 in 5 people (20%) receive prescription opioids long-term for noncancerous pain in primary care settings.
- More than 11 million people abused prescription opioids in 2016.
- Every day, more than 1,000 people are treated in emergency departments for misusing prescription opioids.
- More than 40% of all U.S. opioid overdose deaths in 2016 involved a prescription opioid.
- Drug overdoses claimed the lives of nearly 64,000 Americans in 2016. Nearly two-thirds of these deaths (66%) involved a prescription or illicit opioid. (the number of total deaths in 2108 is over 70,000).

When employment practices liability insurance came to market, a fair question asked of the insurance industry was whether it was moral for an insurance company to provide insurance to cover the costs of litigation should the insured company be found negligent in a claim for sexual harassment? By paying for the costs of litigation and fines wasn't the insurance company providing a product that would encourage rather than discourage wrongful behavior?

I can see the logic of that argument in the opioid crisis. If a physician did not have liability insurance that would cover opioid use/abuse would that physician be prescribing opioids to the patient? In other words, how does the presence or absence of liability coverage effect the delivery of opioids to patients?

And another question is: do pharmaceutical companies bear liability for how they market opioids and their role in the opioid issue? And then by extension, does the liability insurer of the pharma company providing financial coverage to the manufacturer bear any responsibility?

These are fair questions to ask and this isn't a hypothetical exercise. One possible approach is for all insurance industry players to share data that will help identify behaviors and patterns that would otherwise be invisible when looked at in small data sets.

This crisis requires the efforts of the industry uniting as a whole, alongside providers and pharma, in order to identify where to rapidly apply intervention before problems, both individual and collective, further entrench themselves.

What do you think?

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