

Health Care Reform Review Committee Testimony
April 11, 2012

Chairman Keiser and committee members, for the record I am Rod St. Aubyn representing Blue Cross Blue Shield of North Dakota. I was asked to present information for your committee concerning the issue of prescriptions for controlled substances and their impact on insurance.

Our Pharmacy Management Director prepared some charts with statistics related to prescriptions for controlled substances showing utilization and payment trends over the past 5 years. Those charts are attached to this testimony.

Narcotic utilization (about 5%) and costs (about 2%) have remained remarkably stable over the time period. There are several explanations: 1) abuse, although a serious problem, is not sufficient to drive trend in class that has significant legitimate use; 2) five years is not a long enough time to see an increasing trend; and/or 3) claim edits intended to prevent overuse are having their intended effect (abusers pay cash for their excessive use).

Our guess is that all three explain the situation in part but that explanation #3 has the greatest influence. Our pharmacy claims system prevents prescriptions from being dispensed earlier than appropriate for refills. As a result, our health plan does not experience the higher claims for abuses that may be occurring. Instead, those abuses are probably being acquired via cash payments and not through insurance claims.

Mr. Chairman and committee members, thank you for the opportunity to speak to you on the issue of prescriptions for controlled substances and their impact on insurance. I would be willing to answer any questions you may have.

Year	Narcotic Prescriptions		Total Prescriptions		Percentage	
	Claims	Allowed	Claims	Allowed	Claims	Allowed
2007	148,392	\$4,177,255.73	2,836,007	\$198,150,940.90	5.23%	2.11%
2008	158,681	\$4,600,199.77	2,931,000	\$210,487,037.50	5.41%	2.19%
2009	147,608	\$4,477,448.36	2,747,343	\$201,381,973.40	5.37%	2.22%
2010	148,210	\$4,704,904.93	2,770,181	\$213,627,882.70	5.35%	2.20%
2011	149,585	\$4,235,102.56	2,767,530	\$213,201,633.30	5.41%	1.99%

Narcotic Prescription Claims

