

The Opioid Crisis: Protecting Members from Fraud, Waste and Abuse

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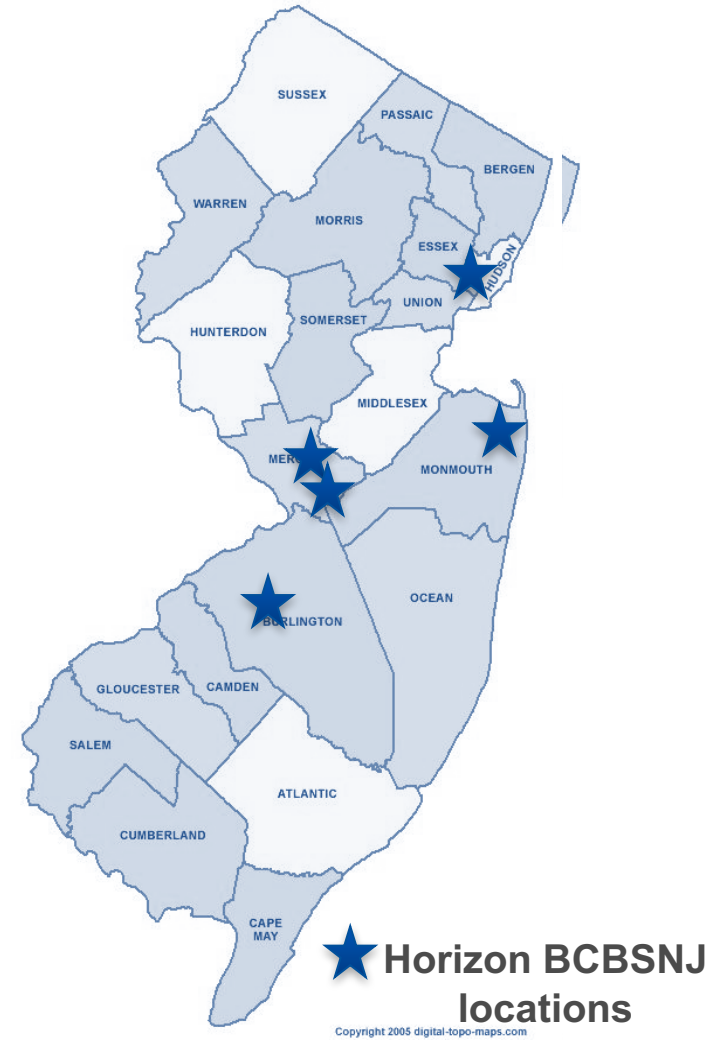


Horizon Blue Cross Blue Shield of New Jersey

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Horizon BCBSNJ at a Glance

- Horizon BCBSNJ, the state's oldest and largest health insurer, is a tax-paying, not-for-profit health service corporation, providing a wide array of medical, dental, vision and pharmaceutical insurance products and services.
- Currently serve more than 3.8 million members.
- Offices in Newark, Wall, Mount Laurel, West Trenton and Hopewell.
- Over 5,500 employees.



Scope of the Opioid Crisis in NJ

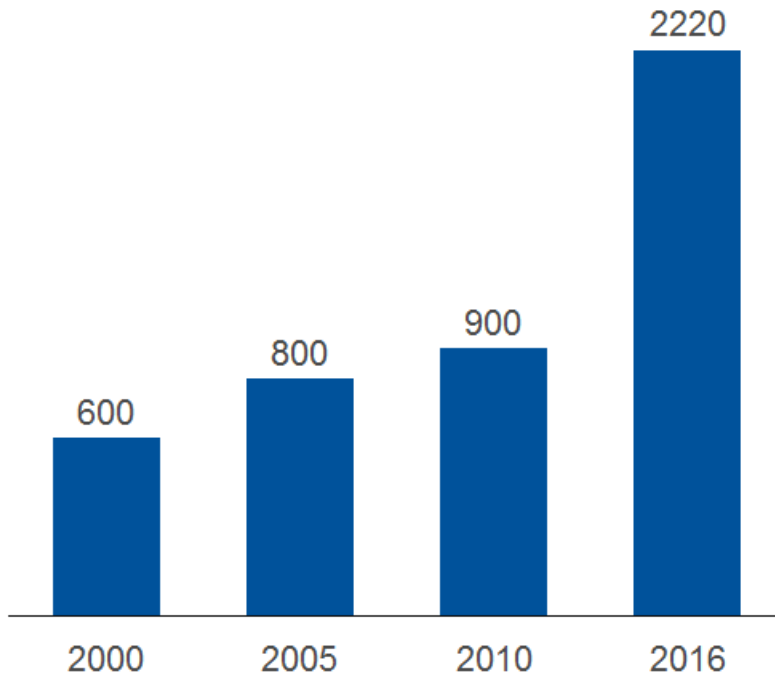


Overview

New Jersey is experiencing an unprecedented number of opioid-related deaths with certain geographies as the key drivers.



Total deaths from drug overdose in NJ¹



Key takeaways


- **Top five counties** with highest number of drug overdose deaths are Atlantic, Camden, Essex, Monmouth and Ocean
- From 2014 to 2016, New Jersey emergency officials have deployed naloxone (“Narcan”) **more than 18,000 times**
- More than **six deaths a day** in 2016

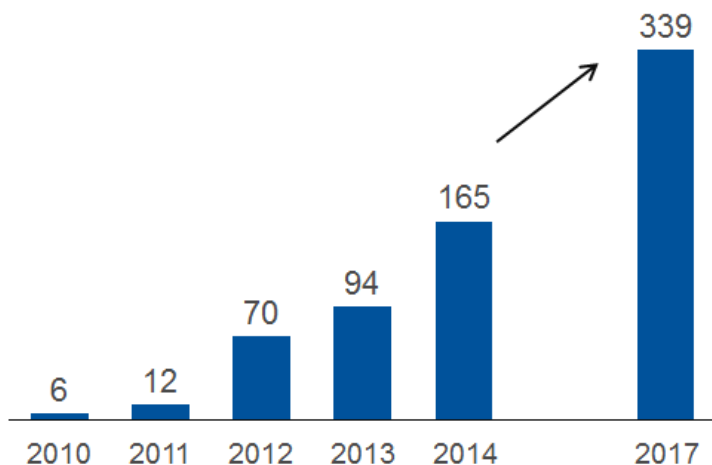
1: State of NJ Dept. of Human Services & NJ.com


Scope of Opioid Crisis at Horizon BCBSNJ

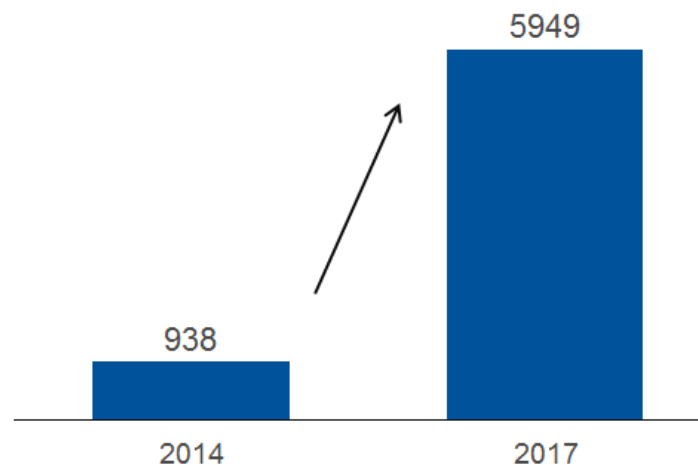
Overview

Horizon BCBSNJ's key spend and utilization metrics have spiked in recent years, illustrating the growing opioid epidemic's financial impact.

 Horizon BCBSNJ opioid-related spend (\$M)



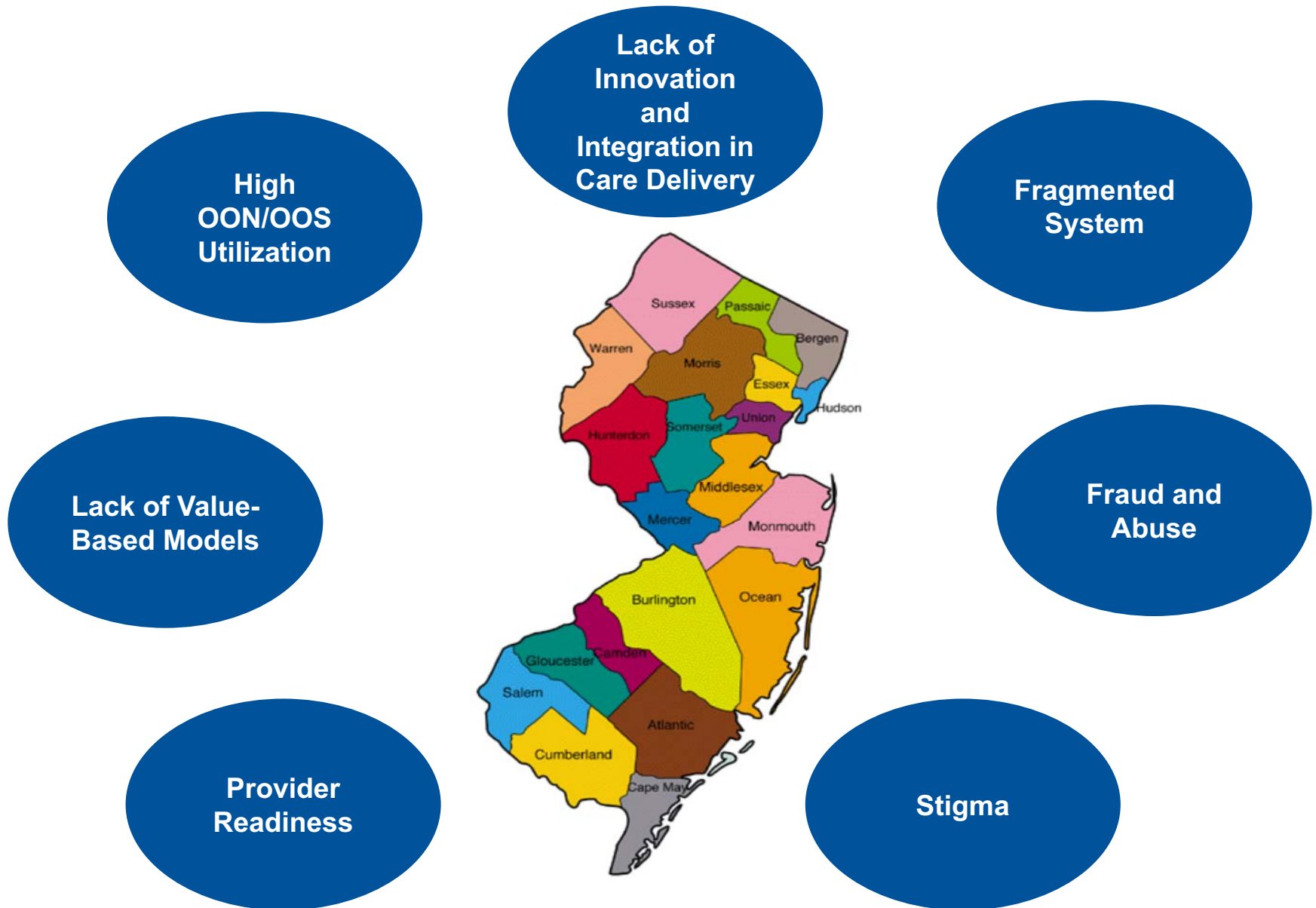
 Horizon BCBSNJ opioid-related ED visits (All LOBs)



Source: Horizon BCBSNJ Analytics

Key Opportunity for Behavioral Health Delivery in NJ

BH delivery in NJ is fragmented with a lack of access and availability of services.



Demand for Care Gives Rise to Predatory and Fraudulent Practices

- According to the Substance Use and Mental Health Services Agency (SAMHSA), over two million people nationally abuse opioids.
- Treatment costs for substance use disorders continue to rise exponentially.
- Loose regulation and licensing practices at the state and federal levels allow unethical actors to engage in multi-million dollar health care fraud, receive kickbacks or provide care from non-licensed individuals.
- Often unscrupulous organizations use a multitude of practices to lure *insured* individuals to complicit facilities, usually *far* from family or friends.
- Marketers/brokers promise insurance; coverage obtained fraudulently using ACA “special enrollment provisions”.
- Private Equity investment in SUD businesses nationwide.
- Facility accreditation (JCAHO/CARF) that is not tied to outcomes.

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Obstacles Faced in NJ and Nationwide



- Active Facebook bounties for referrals
- Patient brokering
- Large cash Medication Assisted Treatment (MAT) business
- Billboards in NJ advertising FL treatment organizations
- Facilities typically are out of network
- Falsified contact information prevents communication with members
- Overutilization of urine drug screening
- Sober living homes/recovery housing – minimal requirements to operate; inadequate oversight/review

Photo Source: hoganforensics.com

Illegitimate Enrollment Tactics



- Brokers use fraudulent qualifying events (i.e., permanent move) under Special Enrollment Period
- Insurance plan targeted for maximum profit
- Premiums paid by third parties
- Facility claims filed within days of policy effective date

Excessive/Unnecessary Urine Drug Testing

- Abuse occurs when a facility sends every sample out for confirmation regardless of screening result, several times weekly, not waiting for one result before ordering another.
- No clinical indication or utility – simply revenue generating.
- \$1200 - \$12,000 per test; totaling more than \$150,000 per patient for 90-day program.



Horizon BCBSNJ's experience in 2016:

Total UDT spend – \$103M

Florida UDT spend – \$32M

Florida SUD Treatment spend – \$37M

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Photo Source: andatech.com.au/multi-drug-screen-cup-urine-drug-test-668

The Patient Victim

- “Treatment” centers often not as advertised/promised.
- False advertising to illustrate in-network status when in fact there are no existing relationships.
- Desperate individuals and family members easily manipulated; don’t question obvious falsehoods.
- When claims denied, members kicked out with no transition services; often end up in homeless centers or on the street.
- Ongoing concerns over continuing treatment, ability to obtain insurance, unpaid bills.

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Recent Examples of Substance Use Related FWA in Media

Recent examples of investigative reporting:

- **Boston Globe:** *How addiction centers target, then trap, public workers*
- **STAT News & Boston Globe Investigation:** *Behind the luxury: Turmoil and shoddy care inside five-star addiction treatment centers*
- **Washington Post:** *Drug Rehab Mogul convicted of sexually assaulting 7 female patients at treatment centers*
- **HBO Documentary:** *Warning: This Drug May Kill You*
- **Megyn Kelly Report:** *The Florida Shuffle: The Sometimes Dirty Business of Rehab*

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nbcnews.com/megyn-kelly/video/the-florida-shuffle-the-sometimes-dirty-business-of-rehab-975928899556

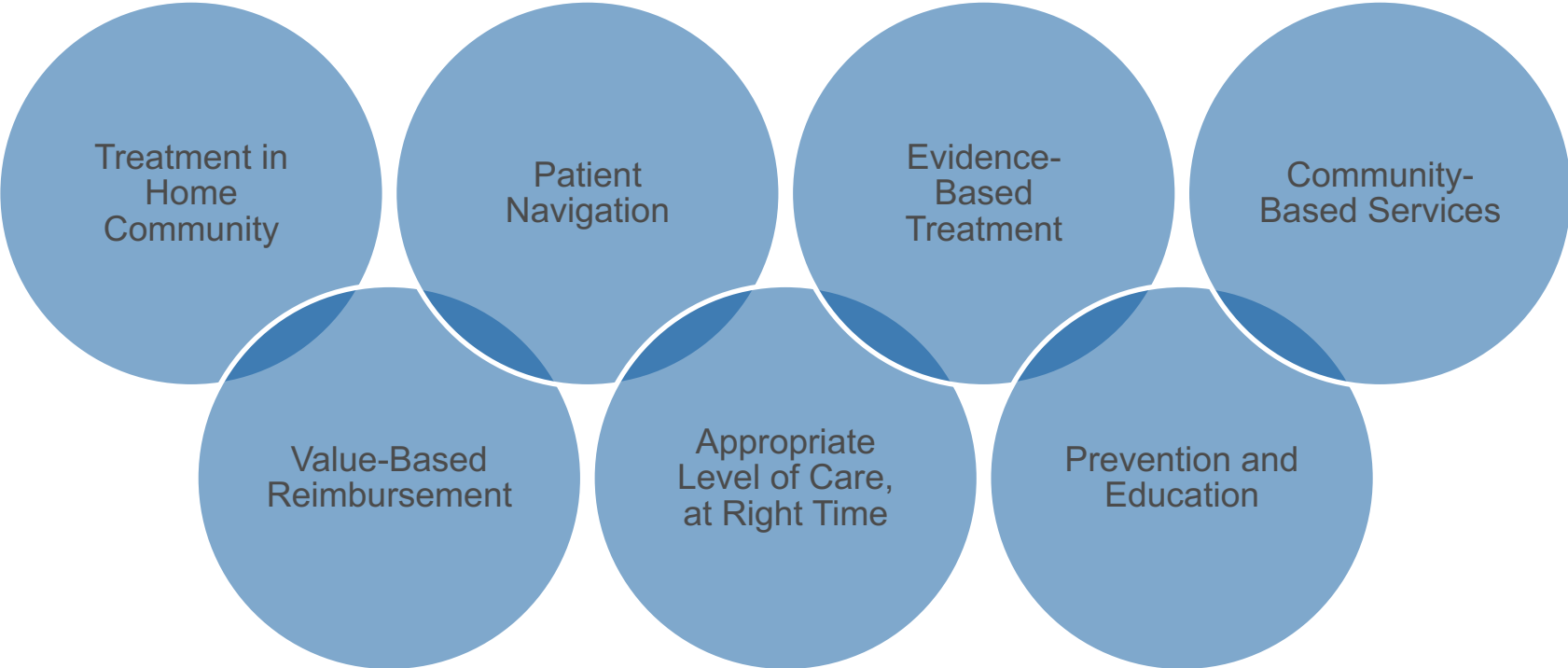
BCBSA's Recommendations

- Align 42 CFR Part 2 requirements with HIPAA.
- Require federal, state and local governments to subject all addiction treatment facilities (including sober living/recovery homes) and programs to the same mandatory and rigorous licensing and oversight as other health care facilities.
- Prohibit third party payment of premiums.
- Expand use of “lock-in” initiatives for at-risk beneficiaries to all programs that receive government funding, i.e. Medicare, Medicaid, FEHBP, individual market.
- Provide states incentives for adoption of policies requiring health systems' and prescribers to use e-prescribing for controlled substances.

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Foundational Principles to Change System

Horizon BCBSNJ is committed to changing the landscape of behavioral health care. The below principles serve as foundational elements to the strategy:

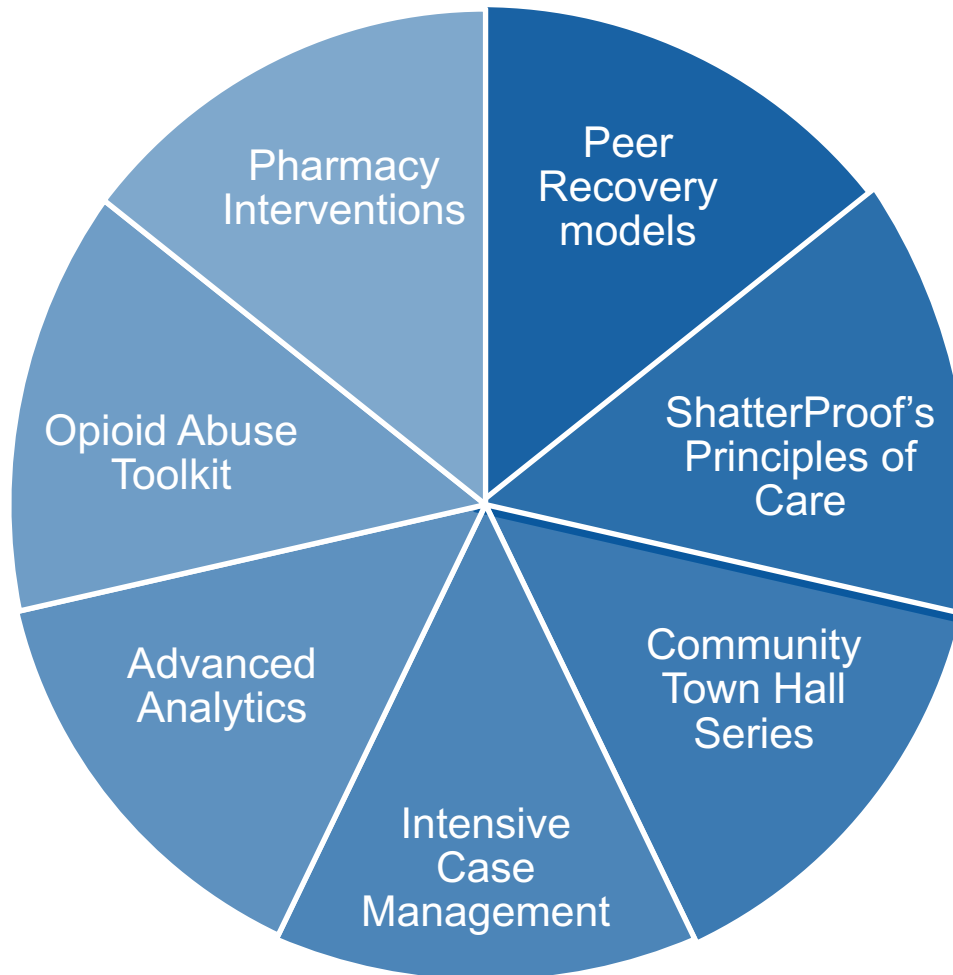


A Multi-Faceted Approach



Horizon BCBSNJ's Current Initiatives and External Partnerships to Change Landscape in NJ and Take Action

Horizon BCBSNJ is working to improve the **access** and **quality** of substance use disorder (SUD) treatment through innovative, collaborative care and awareness programs with health systems and community partners – including:



It Takes a Village...



Thank You!