

MyMatrixx

By EVERNORTH



Hiding in plain sight

Pharmacy Fraud, Waste and Abuse in Workers' Compensation

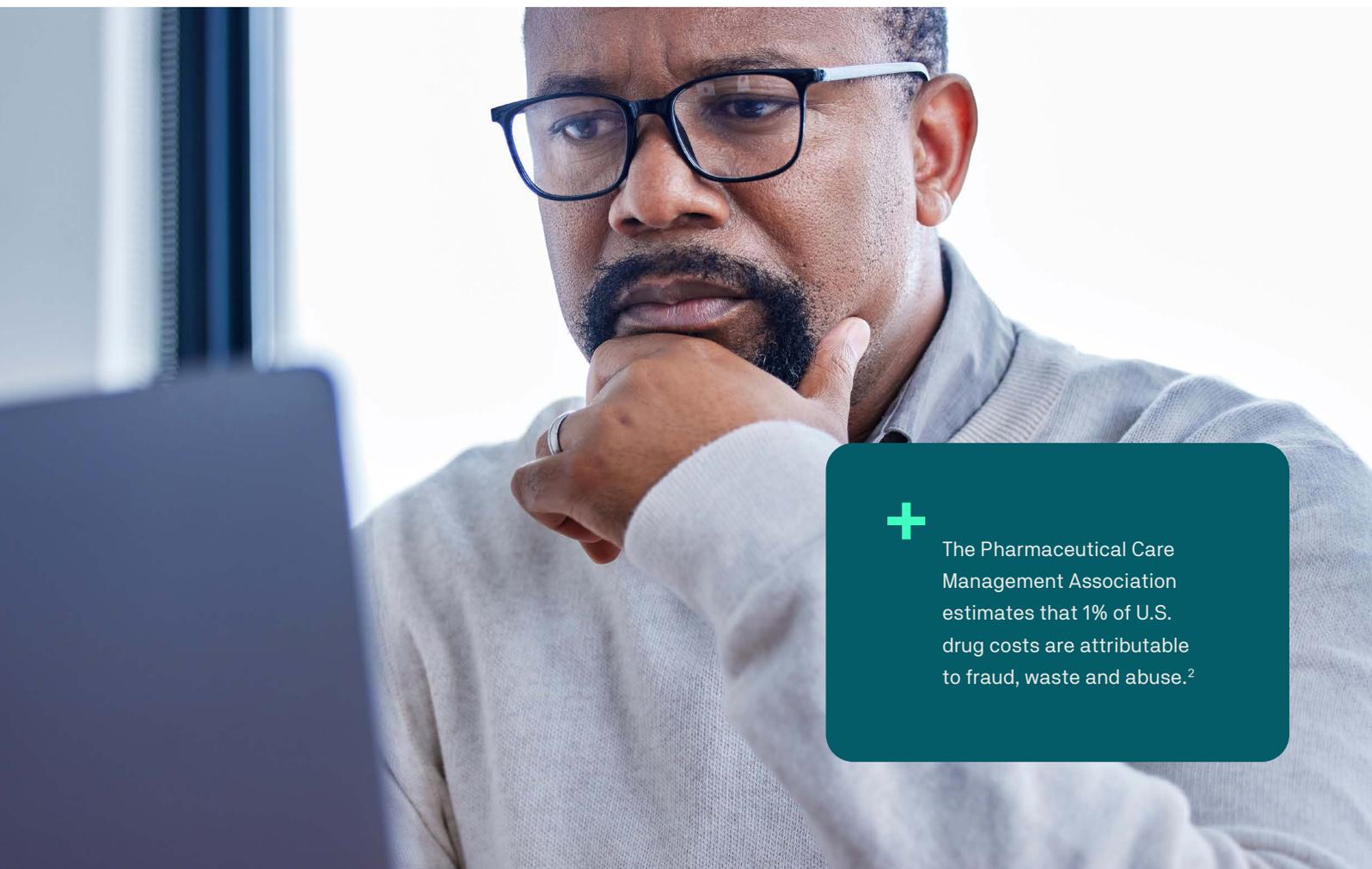


A doctor writes the prescription. A pharmacy fills the prescription. A patient gets the prescription. This straightforward process takes place every day. In fact, The Centers for Medicare and Medicaid Services estimates that prescription drug spend in the United States will reach around \$460 billion in 2024.¹ Most of these prescriptions are filled without issue and follow all the appropriate pricing and dispensing rules.

Sometimes, though, rules are not followed:

- + A pharmacy dispenses a higher-priced medication NDC when lower-cost NDC options are available.
- + A physician dispenses lidocaine 4% patches at a much higher volume than local peers.
- + A patient fills multiple prescriptions from multiple doctors at multiple pharmacies.
- + A pharmacy re-submits denied bills after altering information (e.g., prescriber)

Whether purposefully or accidentally, these could be cases of medication fraud, waste or abuse (FWA), which can lead to higher costs, medication misuse and legal prosecution. And, while cases of FWA may be infrequent, the impact is substantial. The Pharmaceutical Care Management Association estimates that 1% of U.S. drug costs are attributable to fraud, waste and abuse.² One percent of \$460B is still billions of reasons why you should identify, stop and correct FWA. For individual payers, that means there are likely thousands or millions of reasons to have an FWA program monitoring their pharmacy claims.



The Pharmaceutical Care Management Association estimates that 1% of U.S. drug costs are attributable to fraud, waste and abuse.²

Defining the problem

Fraud, waste and abuse (FWA) describes three separate (but related) problems. The key differentiator between them is intent. Fraud requires intent and knowledge of wrongdoing. Waste and abuse do not.



Fraud

Intentionally deceiving, concealing, or misrepresenting to obtain money or property from a health care benefit program. Fraud is a criminal act.

- + Submitting claims for medications that were never dispensed to a patient
- + Billing for a more expensive brand drug when a generic was dispensed
- + Altering a prescription to receive higher reimbursement
- + Submitting claims using a stolen or borrowed insurance card



Waste

Overusing services or other practices that result in unnecessary costs to a health care benefit program. Waste doesn't require the same intent and knowledge as fraud.

- + Dispensing excessive quantities of medication beyond what is medically necessary
- + Ordering unnecessary refills without proper medical justification
- + Failing to use cost-effective generic medications when available



Abuse

Actions that result in unnecessary costs to a health care benefit program, without the same intent and knowledge as fraud. Abuse includes practices that don't provide patients with medically necessary services or meet professionally recognized standards.

- + Pressuring patients to purchase unnecessary medications
- + Failing to properly document prescription details
- + Billing for services such as medication counseling when none was given



FWA in workers' compensation claims

In workers' compensation claims in the United States, prescription medications make up about 7% of the costs of a claim.³ Unlike group health claims, the patient/injured worker will likely never question the cost of a prescription because they are not paying for it. This heightens the need for someone to monitor the pharmacy transactions within workers' compensation claims.

“At first glance, payers may never know that fraud, waste or abuse is taking place,” said Brandie Traylor, Vice President of Product Management for MyMatrixx by Evernorth®. “But fraud, waste and abuse activities are literally hiding in plain sight,” continued Traylor. Prescriptions continue to process, and injured workers continue to receive their injury-related medications. Without an FWA program in place, payers may never see what’s really happening, and they will continue to lose money. “If they can’t see the FWA, they can’t fix it,” she emphasized.



Identifying and analyzing FWA activities

FWA activities don't just happen at the injured worker or claim level. FWA can also stem from pharmacies and providers with processes in place that are deceiving to payers and injured workers.

"The MyMatrixx Enhanced FWA program is our answer to this problem and is a smart addition to any workers' compensation pharmacy program," said Cliff Belliveau, MyMatrixx Chief Innovation Officer.

The MyMatrixx program is designed for the nuances of workers' compensation claims and transactions. Using our proprietary algorithm, MyMatrixx can analyze injured worker, prescriber, pharmacy and historical claim data to identify actions such as drug seeking and duplication of therapy, as well as abnormal prescribing and distribution patterns.

"You can learn a lot by deep mining prescriber, pharmacy and patient data," stated Belliveau. Applying these well-curated data algorithms gives MyMatrixx a targeted look at a payer's book of business and the potential fraudulent trends within it.

This doesn't just mean financial fraud, there are clinical aspects as well.

"From an injured worker safety perspective, our program can identify unsafe prescribing practices and fraudulent or abusive prescribing," stated Julie Black, MyMatrixx Senior Clinical Account Executive. This is critical when it comes to prescriptions for medications such as opioids, stimulants and benzodiazepines.

"The MyMatrixx Enhanced FWA program checks eligibility, clinical appropriateness, fee schedules, formularies, state and federal guidelines, and other edits, so we can find all the financial and clinical anomalies hiding within our clients' pharmacy transactions," Belliveau continued.

Correcting and changing behaviors

“Once you identify potential FWA activities, then it’s time to take action to change the behaviors,” said Traylor.

The MyMatrixx Enhanced FWA Process

- + Investigates by validating scripts and verifying statements
- + Communicates and coordinates with injured workers, prescribers and pharmacies
- + Informs, educates and assists to change the behaviors
- + Reports findings to clients, state boards and, as necessary, to law enforcement
- + Tracks and monitors continued behaviors related to the FWA activity to ensure all parties remain compliant

CLIENT CASE STUDY:

Making a difference for our clients

“Our FWA program can make a big difference for our clients,” stressed Traylor. “For one client, we recently identified fraudulent behavior that involved five pharmacies and one medication NDC that, without corrective action, could result in a potential loss of over \$500,000. Without our FWA program, the fraudulent behavior may have remained hidden, and the losses would continue to grow,” she added.

The MyMatrixx Enhanced FWA has the unique ability to help workers’ compensation payers look closer at their book of business to find and stop the FWA behaviors lurking within their claims.



Five pharmacies



One medication

a potential loss of over
\$500,000
avoided

For more information about MyMatrixx services, including our Enhanced FWA program, email info@mymatrixx.com.

About Brandie Traylor

Brandie Traylor is Sr. Vice President of Product Management for MyMatrixx. In this role, she oversees product operations, new product development and the project management teams. Brandie is passionate about bringing products to market that complement pharmacy. With 16 years of experience in health care, 13 of which are specific to the pharmacy benefit management sector, Brandie brings a deep understanding of the industry and a unique ability to problem solve for clients.

About Cliff Belliveau

Cliff Belliveau is the Chief Innovation Officer for MyMatrixx. He leads the initiatives that enable automation, advanced data analytics and visualizations for internal and external stakeholders. Belliveau is an accomplished information technology leader with a history of delivering solutions to complex business problems. He has over 25 years of experience in all facets of information technology—from managing high performance teams to systems architecture, application integration, software development, operations and support. He is also the inventor of two awarded patents.

About Julie Black

Julie Black is a Senior Clinical Account Executive with MyMatrixx. A valued clinical advisor, Julie is responsible for collaborating with clients on their strategic clinical initiatives, providing creative clinical solutions to alleviate pain points, evaluating drug utilization and facilitating training on clinical programs and industry trends. Julie brings over 30 years of experience in the pharmaceutical industry, including roles in the Health Plan division at Express Scripts, and in sales, patient education and pharmacovigilance for various pharmaceutical companies.

About MyMatrixx by Evernorth

MyMatrixx is a leading Workers' Compensation Pharmacy Benefit Manager (PBM). By using data-driven clinical solutions and an innovative approach to claim management, we help our clients avoid risks, lower costs and maximize value year-over-year as we focus on injured worker safety and their return to health and function with evidence-based care.

REFERENCES

1. [Prescription drug expenditure in the United States from 1960 to 2024](#). Statista.com
2. Academy of Managed Care Pharmacy. [Fraud, Waste, and Abuse in Prescription Drug Benefits](#)
3. NCCI. [Inflation and Workers Compensation Medical Costs—Prescription Drugs](#)