



myMatrixx monitor

Another year has passed by us and as we start 2012 myMatrixx has some exciting news. In January we announced the addition of Artemis Emslie to the organization as our new President. I have personally known Artemis for many years now and have watched her career soar. She is an industry

You may now be asking will this change my role in the organization. As the Founder of myMatrixx I have seen the organization expand over the last ten years and this will not change. I will continue to serve in my role as the Chairman and CEO, and will focus on the strategic direction and growth of the

In This Issue

CEO Article	p1
Presidents Message	p2
White Paper	p2
Contact Us	p2
Clinical Corner -Future of Pharmacy, part2	p3
-New Hydrocodone Product	p4
Ancillary Services	p5
SSAE No.16 Reporting	p6
Employee Spotlight -Darryl Richardson	p6
Regulatory Update -Physician Dispensing	p7-8
Core Values	p9
Upcoming Events	p9

A Message from the CEO

by Steven MacDonald, Chairman & CEO



veteran with over 20 years of experience in the workers' compensation industry and pharmacy benefit management. Most recently she founded and operated ProsperRx Solutions, a prescription auditing and consulting firm specializing in work comp. Additionally she has served in leadership positions with other PBMs and brings a wealth of knowledge with her to myMatrixx. I am confident her experience and relationships will provide immediate value to both our organization and our clients. We are very excited to have her on our team and I know you will feel the same after you have the opportunity to work with her.

organization. myMatrixx has continued to experience significant growth year over year, and we plan for the same in 2012. However, this will not change the exceptional service we provide our clients every day. This will always remain our number one priority and really we owe our success to you our clients. You have helped us to advance our offerings by providing us quality feedback on what you need to succeed. And as we help our clients achieve their goals, we in turn achieve ours. So here's to a prosperous year for our clients, partners and all!





A Message From Our New President

by Artemis Emslie, President

Thank you for the wonderful introduction in your message Steve. I am very excited to be a member of the myMatrixx team. Having been in the industry for many years, I have always been impressed with myMatrixx and the organization's reputation in the marketplace. I am now thrilled to be a part of such an outstanding team that is truly innovating workers' compensation. In my role I look forward to focusing on strategic growth opportunities, working with existing and prospective clients and serving with the outstanding group we have here at myMatrixx.

As Steve mentioned, we have some exciting growth plans for myMatrixx in 2012 while keeping our clients at the forefront of everything we do. We are constantly seeking new ways to simplify the workers' compensation space by creating solutions to streamline our clients' workloads. I look forward to getting to know all of our clients and helping find new ways we can provide you value.

Thank you for all of the support and congratulations messages. Please know my "door" is always open and I welcome the opportunity to answer any questions or assist you in any way I can.

Contact Us:

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Questions? Feedback?

We are always looking to better our programs and services. If you have a question or comment, please send your valued feedback via **this email:**

accountmanagement@mymatrixx.com

MYMATRIXX'S NEW WHITE PAPER

Providing Solutions for Opioid Therapy

There is no denying the skyrocketing use and cost of pain medications in workers' compensation. In our new white paper, myMatrixx examines how monitoring opioid therapy can have a significant impact on cost control in managing the care of an injured worker. The paper provides solutions to maximize effectiveness in opioid treatment and warning signals to look for to avoid problems earlier in the claim.

[Click to right](#) for your copy of *Opioids in the Treatment of Injured Workers: When and How to Maximize Effectiveness.*

You have challenges.
We have solutions.

Prevent opioid misuse and take back control of your workers' comp claims with **myRiskPredictor™ from myMatrixx.**

Click this ad to request our white paper for more solutions on opioid therapy.



[Back to Page 1](#) 2

THE FUTURE OF PHARMACY, part 2

by Phil Walls, R.Ph., Chief Clinical and Compliance Officer



supports legislative and policy language that addresses the need for compensation models to support these patient oriented, quality improvement services.

Many of you have heard me address that pharmacists are very conservative with regard to drug utilization. Notably, the number one result of our Drug Regimen Review process is to Discontinue or Wean medication (38.93% combined), as reflected below.

I now predict that the future of Workers' Compensation must address Collaborative Practice Agreements in which pharmacists are directly involved in drug selection, treatment plans and weaning decisions.

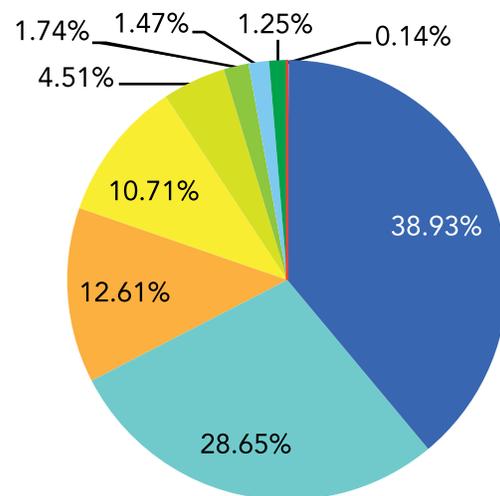
It appears the future is here. Within weeks after writing my first article on this topic (*published in the Fall Issue*), I was pleased to see a news release titled, "Surgeon General Supports Recognition of Pharmacists as Health Care Providers." The release goes on to reveal that in a letter dated December 14, 2011 from the Surgeon General to the Chief Professional Officer, Pharmacy, that the Surgeon General is providing public support to a report entitled "Improving Patient and Health System Outcomes through Advanced Pharmacy Practice."

This report provides details on the comprehensive patient care that pharmacists are providing through collaborative practice agreements (CPAs), currently in 43 states, and in federal healthcare settings such as the VA. Under these agreements pharmacists are actively engaged in:

- Performing patient assessments and developing therapeutic plans.
- Initiating, adjusting or discontinuing medications under protocol.
- Ordering, interpreting and monitoring laboratory tests.
- Providing follow up care which includes other healthcare services for wellness.

It is also significant that the report encourages both healthcare leaders and policy makers to optimize the role of pharmacists under these CPAs and

2011 myMatrixx Drug Regimen Review Outcomes



- Discontinue or wean
- Switch medications
- Not compensable
- No Changes
- Switch to generic
- No recommendations
- Reduce Supply
- Confirmed discontinued
- Increase supply



NEW HYDROCODONE PRODUCT (ZOHYDRO™) COULD HIT THE MARKET SOON

by Phil Walls, R.Ph., Chief Clinical and Compliance Officer



In 2005 (the most recent year for which I have accurate statistics) there were over 110 million prescriptions dispensed for hydrocodone combination products, which include Vicodin, Lortab, Lorcet, etc., in addition to all of the generic products available. It was, and still remains the number one prescription product in the United States. In fact, our country consumes 99% of the world's supply of hydrocodone. Ironically, it is only the acetaminophen component in these combination products that limits the dose because of the severe liver damage that acetaminophen overdose may cause. If not for the acetaminophen, there would be no maximum dose for hydrocodone, which is a true statement regarding all opioids.

Thank goodness this drug is only available in combination products, right? Wrong. A new single source hydrocodone product, Zohydro, is currently making its way through the FDA's review process and is poised to be what the New York Daily News has characterized as the "worst pill-popping plague since Oxycontin hit the streets." (January 7, 2012). Ironically the manufacturer

Zogenix characterizes it as "safer and more convenient" but please be aware it contains 10 times the amount of hydrocodone as in the lowest dose Vicodin-type product. Safer? I don't think so.

According to Zogenix's website (www.zogenix.com) Zohydro, if approved by the FDA, offers these benefits, "... **greater patient convenience and another opioid option for chronic medication rotation.**"

There may be some truth to this but only if appropriate Opioid management guidelines are followed. April Rovero, president of the National Coalition Against Prescription Drug Abuse, states "We just don't need this on the market" and I agree. However, as I have stated before, this is big business! CBS News characterizes this as a "\$10 billion-a-year legal market for powerful yet highly addictive opioid narcotics."

Marketing of this drug could begin in 2013. This will be a real challenge for the FDA's Risk Evaluation and Mitigation Strategy but only time will tell. I will keep you posted as this develops.

Hydrocodone combination products . . . was, and still remains the number one prescription product in the United States.





WHAT ARE Ancillary Services?

by Kyle Osborne, Ancillary Support Supervisor

When thinking about medical care of any kind, the usual types of providers that come to mind are doctors, dentists, and nurses. It is true that these are the primary care providers that drive the medical industry and ensure that patients are getting healthier or staying healthy, but ancillary service providers far outnumber primary care providers in the US. Just about anything used to improve the health of a patient except for a physician is considered an ancillary service. This may include outpatient surgery, diagnostic imaging, physical therapy, or medical equipment and supplies. Ancillary services are a critical component of a patient's treatment, especially after an injury.

Ancillary service providers have been around for as long as doctors have been practicing medicine. As new techniques in medicine required specific types of supplies and equipment, a whole industry was born to research, develop, and manufacture these products. Ancillary providers range from factories churning out millions of packages of sterile gauze per day to small custom wheelchair shops; and they exist in great numbers all over the country. As this industry grew and became more specialized, standards were developed for specific products and how to process them for payment.

In the 1980s, the Center for Medicare and Medicaid Services began developing a

coding system for ancillary services to make billing uniform and describe similarities and differences between items being dispensed by various providers across the country. Called HCPCS Level II (to supplement the Level I or CPT codes for procedures), this coding system now describes almost 4000 individual products and services and has greatly streamlined the processing of more than 5 billion claims per year submitted to public and private insurance companies. Level II codes consist of one letter followed by four digits and are printed on all bills in order to assist in cost containment and comparison. According to HIPAA, as of December 31, 2003 all ancillary services had to be billed with one of these Level II codes, effectively eliminating the local codes which had been used before then.

The term "Ancillary" has been applied to a significant amount of the medical industry, and while the administration of claims from this sector has been complicated in the past because of its regional nature, advancements in networks and new legislation has greatly simplified ordering and processing.

myMatrixx Completes SSAE No. 16 Reporting

by Michael Geis, Vice President of Information Services

For our clients, security and internal controls are critical when it comes to how myMatrixx handles their data. Keeping this data secure and protected is extremely important to myMatrixx as well. That is why we recently completed our SSAE 16 Type I examination. The review was performed by an independent accounting and auditing firm and included the company's controls related to how we process and secure customer data. By completing this review, our clients have the assurance that our processes, procedures and controls surrounding how we manage data have been formally evaluated and tested.

SSAE 16 is designated by the U.S. Securities and Exchange Commission (SEC) as an acceptable method for a user entity's management to obtain assurance about service organization internal controls without conducting additional assessments. In addition, the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 make SSAE 16 reports even more important to the process of reporting on effective internal controls by public companies.

If you have any questions regarding our SSAE 16 Reporting, please contact me at 877.804.4900.



- Excellent**
- Very good**
- Good**
- Average**
- Poor**

EMPLOYEE SPOTLIGHT



DARRYL RICHARDSON

ANCILLARY SUPPORT REPRESENTATIVE

Darryl Richardson is the newcomer to the myMatrixx Ancillary Team and in just a short time has shown a true dedication to his job. As a support representative in the Ancillary department, Darryl assists clients with their orders for durable medical equipment, medical supplies and other ancillary services. After an order is submitted to myMatrixx, Darryl is one of the many team members behind the scenes making things happen by creating orders in the system, confirming authorization from insurance adjusters and following up with the patient to confirm they received their shipment and everything is satisfactory. Whether you place an order online in our 1Click Ancillary system or you call or fax in your order, Darryl is busy working with all of the parties involved to get the patient the care they need, fast.

Darryl says one of the best things about his job is having the ability to assist injured workers with their care and getting them on the road to recovery. He also commented, "I really like the company morale at myMatrixx. It's pretty awesome to work for a company where all of the employees have a keen approach to achieving personal and work related goals. This type of surrounding is truly motivating for a newcomer like me."

Prior to myMatrixx, Darryl served at Mutual of Omaha and Merrill Lynch. He graduated from the University of South Florida with a degree in Finance. Darryl's other passion outside of myMatrixx is photography. He also loves to travel and once served as the tour photographer for a rock band as they traveled the nation.



REGULATORY UPDATES

Physician Dispensing

by Matt Schreiber, VP Marketing and Regulatory

By now you should be completely aware that physician dispensing is on the rise. NCCI, WCRI, national blogs, and even news agencies are reporting this. So why has this become the new metric to watch and manage? It's simple. The average cost of medication dispensed at a physician's office vs. the cost of the exact medication dispensed at a pharmacy carries an average increase of more than 95%, nearly doubling the cost. In some cases, the medications are anywhere from 5 to 9 times more costly. There are a few cases where the medication is actually less, but these are rare.

How can a physician charge more for a medication if there is a state mandated fee schedule?

This is where loopholes and tricks become a reality and a nightmare for controlling costs. Every drug has a National Drug Code (NDC). NDCs are assigned to medications based on the strength and formulation, size of the package, and the labeler. Labelers are considered manufacturers, and by right, have the ability to assign a new NDC when they move pills from one container to a new one for distribution. By virtue of the fact that the medicine has moved from one bottle to the next, they can assign a new NDC. Along with assigning a new NDC, the repackager can also assign a new Average Wholesale Price (AWP). In many cases, the new AWP is grossly inflated.

The medicine with the new NDC and increased price is ready to be dispensed by physicians, legally. The old AWP and the new AWP are off by as much as 900%. Using the new increased AWP to calculate the cost of the medication in concert with a state mandated fee schedule, the cost is higher. For example, the cost for a 30-day supply of an anti-anxiety agent is \$24 at a pharmacy using a non-repackaged AWP, but when dispensed through a physician's office using a repackaged

The average cost of medication dispensed at a physician's office vs. the cost of the exact medication at a pharmacy carries an average **increase of more than 95%**, nearly doubling the cost.

NDC's AWP, the price is \$51.90. No laws have been broken, but the price of the pill has been increased. Unless regulatory changes are made, the practice is considered legally appropriate.

Who is gaining from these increased costs?

Certainly physicians that are dispensing these medications are making money in the process. Some national reports indicate that physicians are using this income to offset reduced payments from other parts of their practice. Regardless of the reasons behind the need for increase revenue, they are standing behind these key principles¹:

1. The physician wants the patient to start taking the drug immediately and dispenses enough medication to last until the patient can get to a pharmacy,
2. The physician cannot be sure what the right medication or dosage should be, and dispenses a few days' supply of medication to determine whether that course is effective,
3. It might be inconvenient for the patient to get to a pharmacy

The repackager is also making money in the process. It's a business, with big dollars attached and even bigger battles within the various state's government.

[continued on page 8](#)

[Back to Page 1](#) 7

What does this mean for you and your organization?

Until states place policy parameters around this practice, the physician-dispensed medications will continue to be more costly. Ultimately there will be an increase to the cost of a claim from the pharmaceutical side, and arguably there could be an increase in the amount of physician office visits to fuel this revenue stream.



What is being done about it?

Many states have made significant changes in order to reduce the increased costs. Some states have mandated that the original NDC be used for AWP pricing purposes and others have simply outlawed physician dispensing. Texas has outlawed the practice, while Oklahoma, South Carolina and others have required the original NDC's AWP to be used as part of pricing. Colorado recently made a significant change allowing the practice of repackaging with increased AWP prices legal only for the first 30 days from the Date of Injury (DOI). After the 31st day from the DOI, the repackaged medication must be priced using the original NDC and AWP.

Florida is currently debating this practice with a bill moving through the House and Senate seeking to close the so-called drug repackaging loophole. Previously a bill passed regulations around this practice – only to have the exiting former Governor push it back to the new administration.



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Joe Paduda, author of *Managed Care Matters* and principal of **Health Strategy Associates**, recently blogged about this particular situation,². In relation to money being donated to politicians, Joe posted, "The donations, to individual politicians and their affiliated organizations come as the **Florida Senate is considering a bill that would limit reimbursement of physician-dispensed drugs to the cost of the underlying (non-repackaged) drug.**"

As a standard practice, myMatrixx continues to work with our customers by analyzing their data, reducing transaction cost where appropriate, communicating with physicians and pursuing the appropriate changes via legislative action. Our clients and prospects can also participate by encouraging elected officials to "do the right thing" and pass regulatory change that either significantly reduces the reimbursement on physician dispensed medications or outlaws it completely. The end result will yield the opportunity for companies to reduce their overall Workers' Compensation premiums and refocus those dollars towards more productive ventures.

References:

¹ Lipton, Laws, Li. 2011. NCCI Workers' Compensation Prescription Drug Study. NCCI Research Brief. Retrieved from: <http://tinyurl.com/86br6jf>

² <http://www.joepaduda.com/archives/002260.html>

CORE VALUES OF myMATRIXX

Respond with Care

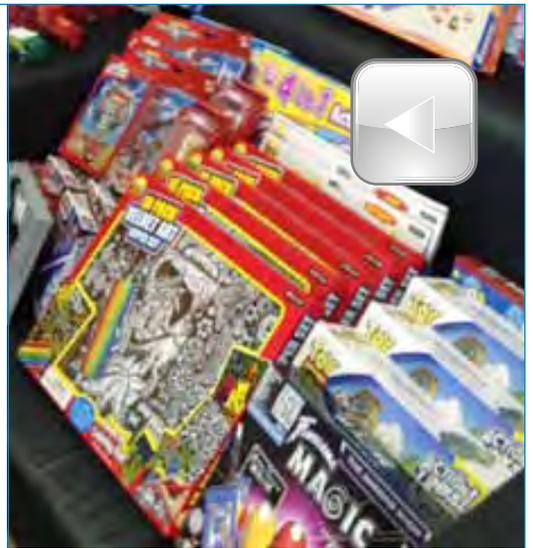
by Lori Taylor, Director of Marketing & Communications

The holidays are always a time for giving, however, there are always those who need to receive a little more than others. Following our Core Value, **Respond with Care**, myMatrixx selected two very worthy organizations to give back to this past holiday season that needed a little extra help. The first was the Salesian Youth Center, a Boys & Girls Club in Tampa that myMatrixx adopted last year. The center serves Tampa Bay area kids and provides them a safe and stimulating environment after school and during the summer months. myMatrixx employees individually donated toys and gifts that ultimately filled an entire truck for the kids at the Salesian Youth Center. They were handed out at their annual holiday party and we were honored to be a part of the special occasion.

Our dedicated employees also donated non-perishable food items and other necessities for Help2Others, an organization dedicated to helping the homeless and those who have fallen on hard times. Again our team stepped up to the plate and filled up a truck-full of items for Help2Others which was distributed during the holiday season.

Additionally myMatrixx made a contribution to each organization on behalf of our clients and partners in lieu of holiday gifts this year. The extra funds were greatly needed by both organizations and will help fund future programs.

It's opportunities like these to **Respond with Care** that we like best.



Upcoming Events

Stop by and visit myMatrixx at the following events and visit us on [Facebook](#) for more details.

RIMS Broward County Chapter Vendor Fair

March 15, 2012
Ft. Lauderdale, FL

TXANS 2012

Annual Nonsubscriber Conference and Exhibition
March 21-22, 2012
Austin, TX

NAMSAP 2012 Annual Meeting and Educational Conference

March 28-30, 2012
Orlando, FL

University of Texas System Higher Education Risk Management Conference

April 1-4, 2012
San Antonio, TX

Arkansas Self-Insurers Association Spring Fling

April 6-8, 2012
Hot Springs, AR

RIMS Annual Conference and Exhibition

April 15-18, 2012
Philadelphia, PA