

**California Coalition on Workers' Compensation
California Association of Joint Powers Authorities
California State Association of Counties
California Self-Insurers Association
Association of California Insurance Companies
California Professional Association of Specialty Contractors
Independent Insurance Agents and Brokers of California
Golden Oak Cooperative Corporation
Association of California Healthcare Districts
Western Propane Gas Association
Shaw, Jacobsmeyer, Crain, and Claffey
Michael Sullivan & Associates
Sedgwick Claims Management Services
Gallagher Bassett Services, Inc.
Metro Risk Management
Schools Insurance Authority
Schools Insurance Group
CSAC Excess Insurance Authority
California JPIA
Employers Group
Grimmway Farms
Safeway
Nordstrom
ALPHA Fund**

May 2, 2013

The Honorable Mark DeSaulnier
California State Senate, 7th District
State Capitol, Room 5035
Sacramento, CA 95814

RE: SB 809 (DeSaulnier) – CURES Funding and Reform
SUPPORT

Dear Senator DeSaulnier,

The above named organizations are pleased to **SUPPORT** your **SB 809**, which would strengthen and stabilize funding for the Controlled Substance Utilization Review and Evaluation System (CURES) operated by the Department of Justice (DOJ).

Our organizations view SB 809 from a slightly different perspective – that of the employers that fund California's \$15+ billion workers' compensation system. Our organization's employees are a vitally important asset and we place a high value on timely and effective medical treatment that returns them to work quickly and with full functionality. Unfortunately, research by the California Workers' Compensation Institute (CWCI) in March of 2011 hints at significant problems with prescription drugs in the workers' compensation system:

- A relatively small number of medical providers are responsible for the majority of Schedule II opioid prescriptions. Specifically, 3% of medical providers are

responsible for 55% of all Schedule II prescriptions and 62% of all morphine equivalents.

- The top 10% of injured workers receiving Schedule II morphine equivalents obtained their prescriptions from an average of 3.3 medical providers, nearly double the rate of all other claims.
- Nearly half of the Schedule II opioid prescriptions in our workers' compensation system are for minor back injuries, which is inconsistent with the AECOM medical treatment guidelines.

Unlike group health, the workers' compensation system does not currently allow for formularies, step-therapy, or other significant controls on prescription drugs. Medical professionals are free to prescribe as they see fit, with limited oversight and no obligation to utilize the information available to them through the CURES program.

FUNDING

The CURES program, like many other programs, has been the unfortunate victim of persistent state budget deficits. The database itself, along with the staff resources, has been left without acceptable levels of general fund support. The result has been a program that fails to live up to its potential as an investigative, regulatory, and preventative tool for law enforcement, regulatory boards, and health care providers. SB 809 effectively resolves the funding deficit by imposing minor fees on related industries in order to support the program. As we know from just coming out of an extended recession, continued reliance on the general fund is not feasible. This would leave the CURES program vulnerable to future economic recessions and budget deficits.

CURES REFORM

SB 809 does more than just fund the CURES program – it *improves* the program dramatically. The bill requires physicians to register to use the CURES program and to access available information prior to prescribing Schedule II, III, and IV drugs. This is vitally important if physicians are to get past the “see no evil” mentality and utilize tools that could help avoid dangerous situations for patients.

Just as important is the provision in SB 809 which delays implementation of the mandatory-use provisions until the database is upgraded and capable of handling the increased traffic that will come from mandatory physician utilization. This provision ensures that the program will be working appropriately before we require medical providers to take on added responsibility.

For these reasons, our coalition of employers is very pleased to **SUPPORT** your **SB 809** and look forward to working with you to help ensure its successful passage.

Cc: The Honorable Lois Wolk, Chair, Senate Governance and Finance Committee
The Honorable Members of the Senate Governance and Finance Committee
Senate Governance and Finance Committee Consultants
The Honorable Mark DeSaulnier, Senator, 7th District