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Untreated Chronic Pain and Opioid Abuse Cost U.S. More Than \$323 Billion Annually, New Study Shows

Research demonstrates economic benefits of clinically recommended 2 to 6 Urine Drug Tests (UDT) per year range from \$7.4 billion to \$25.7 billion; benefits exceed costs by factor of three

SAN DIEGO--(BUSINESS WIRE)--The conflicting problems of unrelenting chronic pain and prescription drug abuse directly and indirectly cost U.S. taxpayers, insurers and employers more than \$323 billion annually, according to a new study released today by Laffer Associates, an economic research and consulting firm, and the Millennium Research Institute (MRI). According to this joint study, the \$323 billion cost could be reduced in part through the widespread implementation of Urine Drug Tests (UDTs), one of the few clinical tools available to physicians to assess whether their patients are taking their prescribed medications, taking additional non-prescribed medications and/or supplementing their prescription drug regimen with use of illicit drugs or alcohol, potentially leading to a greater risk of adverse physiological interactions or diversion. The Laffer/MRI study articulates an economic benefit of in office screening and laboratory UDTs of more than three times their cost, resulting in an aggregate net direct and indirect benefit of more than \$25 billion, depending on test frequency.

“Our analysis of the data demonstrates a clear correlation between increased UDT and the probability that patients will adhere to their medications,” said Wayne Winegarden, PhD, the principal investigator of the study and a principal of Laffer Associates. “The net economic benefit of the clinically recommended UDT regimen is between \$7 and \$25 billion per year for two to six tests.” Adherent results are defined in the study as patients taking medications as ordered, and not supplementing with other prescription medications or illicit drugs.

“The clinical value of UDT is clear”

The study, entitled *An Economic Analysis of the Costs and Benefits Associated with Regular Urine Drug Testing for Chronic Pain Patients in the United States*, is the first cost-benefit analysis of UDT in the U.S. It compares the costs and benefits associated with regular UDT, and illustrates a positive net benefit; it also provides encouraging indications of clinical value. Currently, UDT is the most available form of drug testing to determine whether patients are taking their prescribed medication and/or taking medication that may have adverse physiological drug-drug interactions.

“The joint Laffer/MRI study provides a window into the potential value that evidence-based medicine brings to improving patient outcomes while reducing cost,” noted Kathy Egan City, president of MRI and co-investigator of the research. “The correlations are convincing enough that we intend to continue the research with university partners on a prospective study.”

Laffer Associates used Millennium Laboratories’ proprietary database to independently examine test results from more than 260,000 individual patient test profiles over a one year period. Using a logistic regression

method, the analysis demonstrates a probability curve where six UDTs per year significantly increase the probability of adherence, reducing the rate of non-adherence by approximately more than 35 percent.

"Today our nation faces extreme fiscal challenges; before the start of the new year, members of both parties must come together to find \$1.2 trillion in cuts," noted U.S. Rep. Brian Bilbray (R-Calif), a member of the powerful House Energy and Commerce Committee. "I applaud the report issued by Laffer Associates and the Millennium Research Institute which demonstrates that, not only does UDT serve as an objective tool for physicians to use in making prescription decisions, it also shows substantial savings."

Between 2004 and 2008, visits to emergency rooms for opioid abuse more than doubled. Since 1990, the medical use of opioids has increased by a factor of 10. Deaths from prescription medication overdose now exceed those caused by cocaine and heroin combined. In July, 2011, the Institute of Medicine released a report claiming that more than 116 million Americans suffer from chronic pain at a cost of up to \$635 billion. The Laffer/MRI study's independently derived cost figures suggest that a significant portion of the total cost of pain is related to the challenges of a subset of this population experiencing extreme pain and misusing or abusing opioids.

"The clinical value of UDT is clear," said Dr. Alex Cahana, professor and chief, Division of Pain Medicine, University of Washington, who reviewed the paper for clinical accuracy. "Physicians need to be comfortable prescribing medication, and UDT is a tool to help us do so responsibly. It is encouraging to know that these tests may also create savings for taxpayers and the healthcare system."

About Laffer Associates

Founded and Chaired by renowned economist and former economic advisor to President Ronald Reagan, Arthur B. Laffer. Laffer Associates is an institutional economic research and consulting firm providing research focused on the interconnecting macroeconomic, political and demographic changes affecting global financial markets.

About the Millennium Research Institute (MRI)

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