



NEWS RELEASE

Opioid Overdoses Costing U.S. Hospitals an Estimated \$11 Billion Annually

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Premier Inc. shares individualized comparative opioid trend analytic reports with hundreds of hospitals to enable better management of care for patients who overdose

CHARLOTTE, N.C.--(BUSINESS WIRE)-- A recent Premier Inc. (NASDAQ: PINC) analysis found that total care for patients who experienced an opioid overdose resulted in \$1.94 billion in annual hospital costs across 647 healthcare facilities nationwide.

Premier®, a healthcare improvement company, found that these costs were concentrated among nearly 100,000 opioid overdose patients with nearly 430,000 total visits across emergency department (ED), inpatient and other care settings. Sixty-six percent of the patients were insured by public programs (33 percent Medicare and 33 percent Medicaid), 16 percent used a commercial payer, 14 percent were uninsured and 3 percent were covered under other programs, such as workers' compensation.

Annual hospital care for overdose patients represents a significant portion of healthcare expenditures and can be detrimental to providers in regions with high addiction rates. For instance, by extrapolating the cost trends Premier identified in its analysis, the total added costs to the U.S. healthcare system are estimated to amount to \$11.3 billion annually, or 1 percent of all hospital expenditures. If the payer mix remained constant, \$7.4 billion of the expense would be borne by the federal Medicare and Medicaid programs.

"Opioid addiction has been a public health problem for some time, but we've yet to show exactly how hospitals – the entities that treat most of these patients – are financially impacted," said Roshni Ghosh, MD, MPH, Vice President and Chief Medical Information Officer, Premier. "This analysis shows that on top of losing family



members and friends to this epidemic, it's costing consumers and taxpayers, as well as hospitals. There is an urgent need to provide health systems and emergency caregivers with frontline solutions that they can use to stem the tide of opioid addiction in our communities."

Leveraging the Premier Healthcare Database, Premier's analysis of opioid overdose visits, patient progression, and usage and cost patterns was made available to members via individual hospital and system-level reports. These actionable reports are standardized to help health system leaders easily and quickly benchmark internal patterns, relative to opioid overdoses, to measure their performance based on industry trends and pinpoint opportunity areas. The Premier Healthcare Database leverages the **PremierConnect®** performance improvement platform, which houses data on 45 percent of U.S. patient discharges nationwide.

"The comparative analyses that Premier provides in these reports are key to supporting health system efforts to address this epidemic," said Ghosh. "These are detailed, evidence-based insights that help providers create focused and customized pain management and addiction reduction initiatives specific to the patients that need them. Our goal is to support our members in every way possible in reducing overuse and misuse, and improving health outcomes, safety and costs at the same time."

Opioid overdose patients that present to the ED are at a high risk for multiple organ failure, hospitalization, increased costs due to ICU stays and unplanned readmissions following discharge. According to the Premier analysis, caring for all overdose patients treated in the ED alone amounted to more than \$632 million in costs to hospitals. Approximately 47 percent of patients were treated and released, and 53 percent were treated and admitted. Of those that were admitted, nearly 40 percent experienced organ failure. The average cost for an overdose patient who was treated and released totaled \$504, but the average cost rose to \$11,731 for those that were treated and admitted and to \$20,500 for those that required ICU care. Adding these costs – ED, inpatient and ICU – totaled the \$1.94 billion in annual hospital charges.

While the analysis used the data from 647 facilities to estimate a national aggregate rate (40.9 per 10,000 visits), there was wide state-to-state variation, ranging from a low of 6.1 per 10,000 visits to a high of 87.5 per 10,000 visits. Of those receiving treatment, 34 percent were treated for heroin poisoning and 8 percent were treated for synthetic opioid poisoning, such as methadone. Likewise, 58 percent of those treated were for undetermined opioid poisoning, including prescription opioids and overlapping or unspecified use, such as if the patient used heroin that was laced with synthetics, e.g., fentanyl.

In addition to the added expense of providing care for overdose patients, Premier's analysis found that three of every 10,000 overdose patients die in the ED, while another 366 per 10,000 patients die in inpatient settings. The impact of an overdose can often be reversed quickly in the ED or by emergency responders. However, overdose patients admitted to the hospital can experience extended lengths of stay and are at risk of mortality depending on

the amount and type of drug they took, as well as their current health status. Moreover, of those who were treated and released from the ED, about 24 percent were readmitted for additional emergency care within 30 days of discharge. Therefore, opioid overdose patients are being readmitted at a higher rate than the 17.5 percent national average for 30-day readmissions for Medicare patients, as calculated by the Centers for Medicare & Medicaid Services (CMS).

Premier's outstanding research and clinical expertise has helped the company build and offer solutions to further aide providers on the frontlines in addressing the opioid epidemic. Premier partners with professional associations and federal agencies to help its members better manage these patients, as well as advocates for changes to regulations and policies that limit care coordination. For example, 30 Premier member health systems recently participated in a national **safer post-operative pain management pilot program** as part of Premier's Hospital Improvement Innovation Network, which tested and designed new care delivery processes to better manage pain and the potential for opioid drug addiction. Based on learnings from its members, Premier developed a **Safer Pain Management Toolkit**, which provides easy-to-access information and an aggregated inventory of products, solutions and resources that support pain management methods to improve patient safety for its members. Additionally, Premier uses its data-driven reports, such as the opioids analysis, to help members pinpoint areas of opportunity and works with them on care transformation strategies to improve performance. Premier's clinical surveillance solution, powered by TheraDoc®, also provides real-time alerts for pharmacy team interventions on high-risk drugs and potentially dangerous drug combination interactions, as well as monitors patients prescribed high-dose long-acting/extended release opioids.

More information on efforts to address the opioid epidemic can be found on the **Premier Safety Institute® website**.

Analysis Methodology

The analysis of opioid overdoses and related costs was conducted in October 2018 using the most recent 12 months of data from 647 facilities contained within a database maintained by Premier. In contrast to recent CDC and CMS findings, Premier's analysis used ICD-10 coded opioid overdoses and clinical presentation in the ED (with subsequent admission for treatment or "treat and release") and excluded patients who were administered opioid medication by the hospitals themselves. While Premier's calculated rate (40.9 per 10,000) is significantly higher than some previously reported rates, it better reflects the overall burden on healthcare facilities and private and public payers. The extrapolation analysis leveraged data from the **Healthcare Cost and Utilization Project**, which estimates 143 million annual ED visits nationwide and applied the 40.9 per 10,000 rate in Premier's analysis to estimate the number of opioid overdose ED visits annually (584,870 visits nationwide or 5.8 times more). Premier then multiplied the \$1.94 billion in annual costs in its analysis by 5.8 to get an estimated \$11.3 billion in annual ED costs.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 165,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com, as well as [Twitter](#), [Facebook](#), [LinkedIn](#), [YouTube](#), [Instagram](#) and Premier's [blog](#) for more information about the company.

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