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good medicine for business

SPRING 2012

myMatrixx monitor

Concerned about the growing opioid crisis? So are we.

by Steven MacDonald, Founder, Chairman & CEO

There's no denying we are facing an opioid crisis in workers' compensation. When opioids are prescribed temporary disability payments are 3.5 times higher. Even more concerning, prescription opioid overdose is now the second leading cause of accidental death in the U.S., killing more people than heroin and cocaine combined. There is good news though. The issue is being addressed more, bringing awareness to the epidemic — and it's about time. myMatrixx has been focused on the potential dangers of pain medications since our inception in 2001. We feel it is our responsibility to not only monitor opioid use for our clients, but to also educate them on their appropriate use.

good medicine for business

In our recent webinar, *Opioids in the Treatment of Injured Workers*, we looked at this growing problem. Claims handlers, and PBMs for that matter, can no longer assume the physician is using the recommended tools to monitor opioid use, abuse and diversion. The webinar was presented by Phil Walls, our Chief Clinical Officer and Brian Downs, VP of Workers' Compensation Trust. It included best practices on effectively using opioids in workers' comp and red flags to look for before they lead to major issues. Click here if you missed the webinar; it is now available to download on our website.

Phil also recently spoke on this issue at the National Rx Drug Abuse Summit and will be presenting at several upcoming conferences, including PRIMA, FWCI and the National Workers' Compensation & Disability Conference. If you are going to be at any of these, I invite you to attend

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In This Issue

Opiod Crisis

by Steven MacDonald, CEO

Prescription opioid overdose is now the second leading cause of accidental death in the U.S., killing more people than heroin and cocaine combined.

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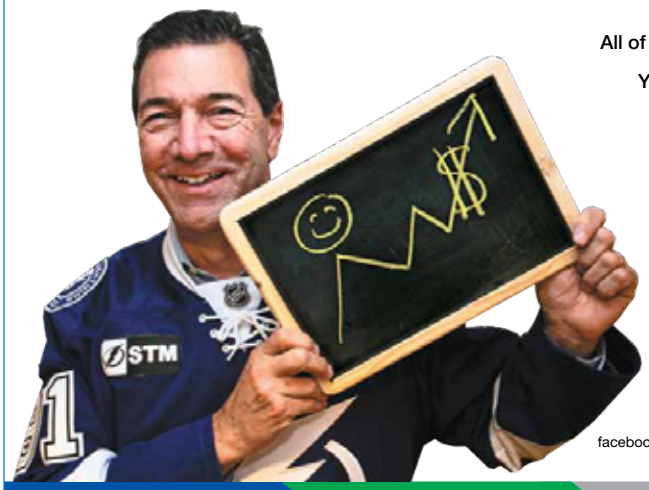
his session which will cover some of the latest news and strategies on this topic. More details will be on facebook.com/mymatrixx as they become available.

myMatrixx will continue to stay at the forefront of this issue and provide education, awareness and tools to combat the dangers of opioids. But we need your help. Tackling this issue will require constant monitoring and action by everyone involved, from the claims handler, physician, PBM, pharmacist and even the injured worker. Together we can "do the right thing" for the injured worker and the industry.

Congratulations to Tom Cardy, CFO of the Year Winner.



All of us at myMatrixx are proud of your achievements.

You inspire us to:

Do the Right Thing

Respond with Care

Love to Learn

Serve with Passion

Innovate Constantly

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myMatrixx™ good medicine for business

Fast. Simple. Effective. Results.

Tom Cardy, myMatrixx's Vice Chaiman and Chief Financial Officer, received some exciting recognition and was named CFO of the Year by the Tampa Bay Business Journal. Tom received the top honor in the large company category and was named the Overall CFO of the Year at an awards ceremony on February 16th. Tom was selected out of 33 finalists from private, public and non-profit organizations. Tom, who joined myMatrixx in 2009, has been a major contributor to the organization. As Steve MacDonald, myMatrixx's CEO put it "Tom is a driving force behind the success of myMatrixx. He has made a significant contribution to our culture and our vision to "deliver an unimaginably great customer experience." This combination of financial strength and leadership is the reason Tom is very much deserving of the CFO of the Year honor."

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to the myMatrixx Blog at blog.mymatrixx.com **for news, trends and updates in workers' compensation.**

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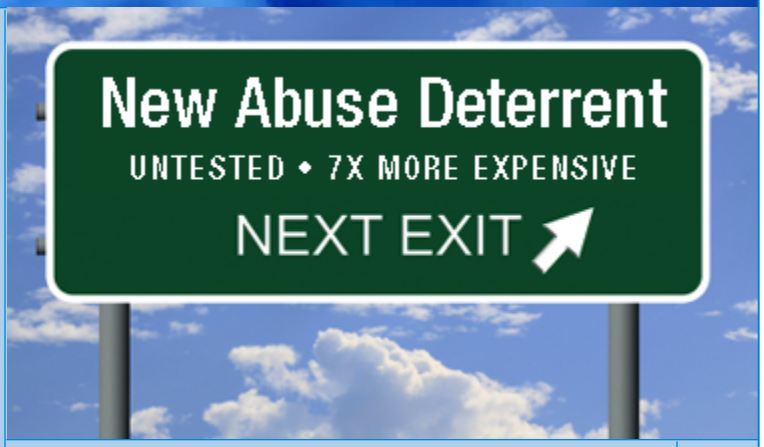
NEW FORMULATION:
Oxecta® (immediate release oxycodone)

by Michael Nguyen, PharmD, Director of Clinical Pharmacy



The Food and Drug Administration recently approved Oxecta®, a new formulation of immediate-release oxycodone in June 2011 claimed to be tamper-resistant. The product was developed by King Pharmaceutical, Inc. in response to the growing concern about the non-medical or illicit use and abuse of oxycodone. Oxecta is currently available in 5 mg and 7.5 mg tablets.

Among other pharmaceutical ingredients, Oxecta is formulated with polyethylene oxide and sodium laurel sulfate (SLS). Polyethylene oxide is a polymer that is insoluble in alcohols. The substance will cause the formation of a viscous gel upon contact with water. Abusers who attempt to dissolve the tablet in liquid will reportedly end up with a gummy substance that cannot be injected. Sodium laurel sulfate acts as a nasal irritant that will deter an abuser from snorting the crushed tablet. "Aversion Technology" is also supposed to make the tablet difficult to crush as the tablet will break into chunks instead of powder. As of a result of this technology, Oxecta should not be given via nasogastric, gastric, or other feeding tubes because it may cause obstruction.

According to official product labeling, there should be no significant difference between Oxecta and other immediate-release oxycodone formulation in terms of absorption of the active ingredient. The dosage conversion is therefore one-to-one.

Although this product is claimed to be "abuse deterrent", it is important to remember that the drug maker did not conduct any studies to prove that Oxecta is less subject to abuse. It is also important to remember that opioid abuse does not have to be done through snorting or injecting and that most people can just abuse the drug orally.

At $3.20 per tablet, Oxecta is almost 7 times more expensive than generic oxycodone 5 mg tablets ($0.48/tablet). The question therefore, is what is the "value" in this type of product? It is hard to tell since the drug maker didn't conduct any studies to demonstrate it. It appears to be an opportunist drug, developed to capitalize on the growing concern about opioid drug abuse. It's simply an issue of market share, in that if enough physicians buy in to its superiority as the only abuse deterrent immediate release opioid currently on the market, the ROI will be positive and business will proceed as usual. The problem is who is then stuck with the tab when a prescriber decides to prescribe Oxecta to all his patients simply because he is "concerned"?

Clinically speaking, an "abuse deterrent" product would only be considered if there is probable cause for the potential of abuse. In which case, considerable thought should be given to the candidacy level of the patient for opioid therapy in the first place. And if after clear assessment, a confirmation is made that opioids should be given to a patient at high-risk of abuse, is giving a product that has not been proven to be less subject to abuse the best answer? Or the best value? Likely no.

Clinical guidelines recommend certain protocols to be followed in high-risk patients including using opioid contracts, frequent random urine screenings (3-4 times/year), pill counts, and closer monitoring of behavior and responses in general.

The bottom line may therefore be that if Oxecta is being considered by the prescriber, it should be recognized, by all those involved, that this represents one of the most controversial areas of pain management in which a patient with a verified history of drug addiction is legitimately in pain and requires a medication that he or she was once addicted to. Considering the gravity of the circumstances, it's hard to grasp the concept that a simple reformulation would be the answer. Especially when there's no evidence to support it.

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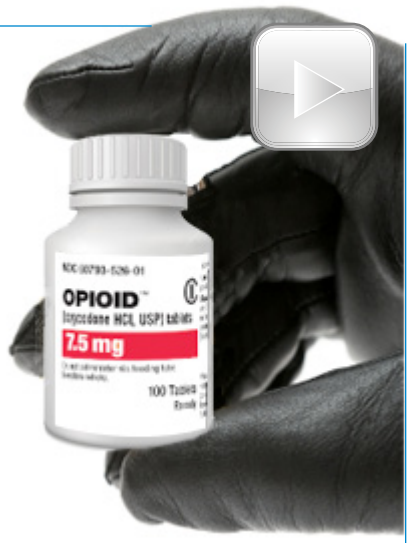
WHICH OPIOID IS THE "WORST" OPIOID?

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



It is true that one opioid may be more "potent" than another. However, **dose** (or the amount consumed which is dependent on access) **is more important than potency** when it comes to abuse.

MSNBC recently published an article entitled "Rural America finds new killer in drug Opana®". The article indicates that "Opana is the hot new prescription drug of abuse, sometimes with tragic consequences." It has been pointed out in numerous articles and presentations that deaths associated with prescription drug abuse now outnumber those from heroin and cocaine combined. This is all too true in rural America, and attention is being focused on Opana. Opana contains the ingredient oxymorphone.

Opana ER replaced OxyContin® as the choice for abuse for one simple reason – Purdue Pharma, which manufactures OxyContin, released a re-formulated OxyContin last year which makes it more difficult to chew or crush than the original version. This re-formulation was a direct result of the FDA's Risk Evaluation and Mitigation Strategy (please refer to "How is REMS Doing" Fall 2011 issue). Chewing or crushing is what enables the drug abuser to experience the euphoria associated with ingesting or injecting a high dose of an opioid. The good news, if there is any in an article of this nature, is that REMS also applies to Opana ER. As a result, the old version of Opana ER is no longer being produced as of late last year. In fact, the only Opana product available from the myMatrixx mail service pharmacy is the new version which is similar to the re-formulated OxyContin in that it is difficult to chew or crush. So what happens if both OxyContin and Opana ER have been re-formulated?

Several consequences may result: 1) the sales of Oxycontin and Opana ER should decrease if they no longer provide a convenient source of high dose opioid for intentional abuse, 2) the drug abuser may seek out heroin or other illicit substances, 2) the drug abuser may find alternatives to their prescription drug of choice, or 3) the drug abuser may find ways to by-pass the new formulations of OxyContin or Opana ER. Unfortunately the internet has turned into a resource for drug abusers that fall into the latter category.

I heard Opana described as much more dangerous than OxyContin recently (largely I believe because of the article referenced by MSNBC), and that made me question whether or not one opioid may be more dangerous than another. In my opinion, here are my conclusions on this question:

- All opioids are dangerous
- The euphoria created by opioids is dose dependent, which means that an addict may get "high" from an injection of heroin or from intentionally consuming large quantities of an over the counter opioid such as dextromethorphan (please refer to "When is a Narcotic Not a Narcotic" Spring/Summer 2011 issue). Yes, I just said over-the-counter opioid.
- It is true that one opioid may be more "potent" than another. However, dose (or the amount consumed which is dependent on access) is more important that potency when it comes to abuse.
- The real danger in terms of side effects such as respiratory depression and death lies in drug characteristics other than potency. This includes the long biological half-life (the amount of time it takes for the body to eliminate half of the drug) of a drug like methadone, or the ability to by-pass a drug's "extended-release" formulation. The latter has included crushing or chewing drugs like

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THE "WORST" OPIOID

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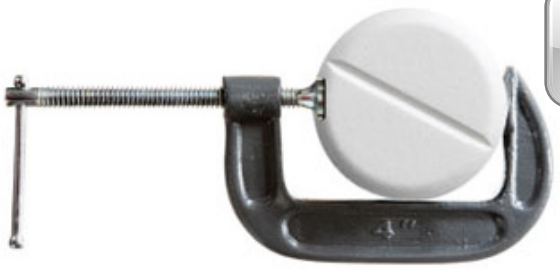

OxyContin or Opana ER (although the new formulations make this more difficult) or the intentional misuse of Duragesic® or fentanyl patches. The latter I have heard described as "fentanyl tea" in which the patch is "brewed" as in the making of a cup of tea. I am also aware of emergency room incidents in which the abuser has severe burns caused by the application of a hot iron to the patch in order to cause rapid release of the fentanyl.

With all that said, I repeat, all opioids are dangerous. I wish there was a simple solution where I could recommend that certain opioids should simply be blocked from your formulary. However, there are steps that can be taken to minimize risk:

1) Monitor early use of opioids through our ARM program,
2) Consider the use of step-therapy in the approval of opioids,
3) Adopt patient-provider agreements (aka, narcotics contracts) as policy for the use of any opioid,
4) Monitor the daily morphine equivalent dose through our myRisk Predictor™.

If I have to name one opioid as "most dangerous", then it would be methadone because of its relatively short duration of analgesic effect and long biological half life. This combination makes it very easy for a patient or drug abuser to inadvertently suffer an overdose and possibly death.

All opioids are dangerous. I wish there was a simple solution where I could recommend that certain opioids should simply be blocked from your formulary. However, there are steps that can be taken to minimize risk.

myMatrixx IT Team Receives Recognition

The myMatrixx IT Team was recently recognized as the IT Dream Team by the Tampa Bay Business Journal. The honor was presented at the 2nd Annual BizTech Innovation Awards recognizing the best in technology in the Tampa Bay region. The myMatrixx IT Team is responsible for developing and maintaining all of the internal and external systems including the web portal accessed by our clients. A panel of judges reviewed nominations from corporate IT departments from across the Tampa region. They looked for key differentiators, how the teams have provided long-term solutions or practical innovation, client testimonials and customer service ratings, and community outreach. The entire team was in attendance to accept the award presented on March 13th in front of over 400 attendees. Congratulations to the team for this much deserved recognition.

REGULATORY UPDATES

Florida & California Update

by Matt Schreiber, VP of Marketing and Regulatory Affairs

Physician Dispensing – Florida continues to be a state where Physician Dispensing seems to be maturing and growing. This is primarily because the regulators declined, for a third year, to place into law rules and regulations banning the ability to charge the increased price of a repackaged medication. Recently, myMatrixx's CEO, Steve MacDonald, was interviewed by two TV stations in Florida on physician dispensing. Click here to watch the clip from ABC Action News and WFTV Action 9. Other states have worked laws into the books in order to curtail this practice, and we at myMatrixx applaud their efforts. Other states will soon review new proposals, or be in need of laws, because they currently allow this practice. These states include, but are not limited to, Illinois and Hawaii.

We at myMatrixx will continue to fight for you through our lobbyist efforts while participating in round-table discussions and ongoing participation in organizations such as WCRI, NCCI and CompPharma, led by Joe Paduda.

AWP migration – California continues to review options for change. However, these options which include a migration from AWP (Average Wholesale Price) to AAC (Average Acquisition Price) or WAC (Wholesale Acquisition Price) are all under consideration as there isn't a standard that is being considered nationally. Plus, the conversion from AWP to another method of standardization for prescription pricing is large enough and broad enough to be held up for several months if not years. Considering all entities that would need to comply, i.e. Pharmacies, PBMs, Insurance Carriers, Whole Sale companies, State Fee Agencies etc., this is a large endeavor and will take much longer than the regulators believe.

CORE VALUES OF myMATRIXX

Innovate Constantly

by Emily Haas, Customer Service Representative

I was recently asked to answer the question, "What does myMatrixx's core value Innovate Constantly mean to you?" As a member of the Customer Service Department, I see this core value at work every day. I see it in the way our leadership is always encouraging a constant, forward movement to push boundaries to build a better environment for its employees and clients. It's not just about being one step ahead of everyone else, especially in the fast paced world of workers' compensation, but about being an entire episode ahead. At myMatrixx we are continuously creating fresh ideas for our clients to save them time, money and resources. We may be known for innovation and excellence, however, it's the trust our clients place in us that allow us to transform their businesses with the new solutions and processes we develop. Innovating constantly doesn't just apply to our business as a whole, but also to each individual who contributes their experiences, input, as well as their personal touches collectively to form a unique platform in which myMatrixx is able to take a giant leap from. With this innovative approach, we are consistently able to provide untouchable service because myMatrixx encourages us to not just think outside the box but to treat every situation as if the box never existed. I use this philosophy everyday when talking to clients and their injured workers. myMatrixx empowers me to do what it takes to serve the client and I enjoy knowing I have a made a difference in someone's care. Without this unparalleled thinking, myMatrixx would not be the success it is today and I'm proud to be a member of a team that Innovates Constantly.

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North

JAMES

LEAD SOFTWARE ENGINEER, IT DEPARTMENT

At the core of myMatrixx is our technology and behind this is an entire team of dedicated IT professionals. One such member of the IT Team is James North, Lead Software Engineer with myMatrixx. Jim has been with the team less than a year but he has quickly made a name for himself developing and implementing significant enhancements to the pharmacy web portal. In his role Jim designs, implements, tests and maintains the systems that support myMatrixx's pharmacy products and more. Collectively these programs manage tens of thousands of claimant's pharmacy transactions daily. Without this technology, we could not instantly verify eligibility, approve critical medications or detect clinical concerns for our clients. It's this direct impact on our clients that Jim is most proud of when it comes to his role.

When you ask Jim what he likes best about working at myMatrixx he answers - the people. "Every day I come to work and I am smiling before I even walk in the door. The people I interact with (which is almost everyone at myMatrixx) are so friendly that it hardly feels like work most days," commented Jim.

Jim enjoys being a member of such a dynamic team which was recently honored as the Best IT Team in Tampa Bay by the Tampa Bay Business Journal. "I love the collaboration and creativity we have to constantly raise the bar with our technology," added Jim. "Some of myMatrixx's best products are the ones the entire team participated in."

Prior to joining myMatrixx, Jim was a Java Developer with Ignite Media Solutions and quickly worked his way up to Lead Reporting Developer. Outside of work he enjoys keeping up on new technologies including the latest video games, music, philosophy and art.

So the next time you login to the myMatrixx web portal remember Jim is behind the scenes dedicated to making your experience as smooth as possible.

Upcoming Events **myMatrixx will be attending:**

Stop by and visit myMatrixx at the following upcoming events and visit us on Facebook for more details.

Signal/LCA Maritime Conference
May 21-23, 2012
Philadelphia, PA

Vermont Department of Labor's Workers' Compensation Conference
May 31- June 1, 2012
Burlington, VT

National Council of Self-Insurers (NCSI) Annual Meeting
June 3-6, 2012
Key Biscayne, FL

Artemis Emslie, myMatrixx's President, will be presenting at NCSI on Tuesday, June 5. Check out the website http://natcouncil.com/meet.html for more details.

PRIMA 2012 Annual Conference
June 3 – 6, 2012
Nashville, TN

Phil Walls, Chief Clinical and Compliance Officer will be presenting at PRIMA on Drug Diversion: A New Type of Risk. Don't miss this informative session on Tuesday, June 5. Check the PRIMA website for details. http://conference.primacentral.org/

Pennsylvania Annual Workers' Compensation Conference
June 11-12, 2012
Hershey, PA

Missouri Issues in Workers' Compensation Conference
June 11-12, 2012
Osage Beach, MO

Virginia Self-Insurers Association General Meeting
June 20-21, 2012
Richmond, VA

Insurance Council of Texas Property & Casualty Insurance Symposium
July 11 – 12, 2012
Austin, TX

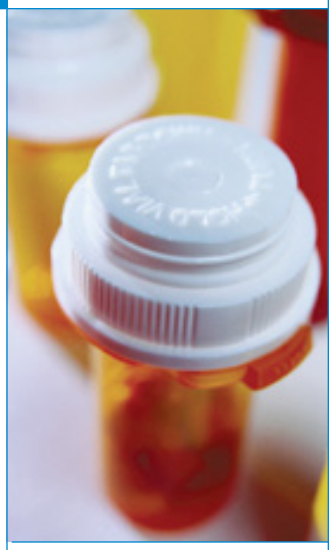
Kansas Self-Insurers Association (KSIA) Annual Conference
July 12-13
Wichita, KS

SEAK Annual National Workers' Compensation and Occupational Medicine Conference
July 17-19, 2012
Hyannis, MA

FASI 2012 Annual Educational Conference & Trade Show
July 22-25
Naples, FL

Federal Workers Compensation Conference
Jul 25 – 27, 2012
Atlanta, GA

Florida RIMS Educational Conference
July 31-Aug 3, 2012
Naples, FL



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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