

Opioids and alternatives in hospital settings: Payments, incentives, and Medicare data

ISSUE: Guidelines about short-term opioid use for acute pain may indicate that a Medicare program that monitors opioid use only in the Part D program is missing a substantial opportunity to prevent opioid-related harm to beneficiaries.

KEY POINTS: This paper reviews how Medicare pays for opioids and non-opioid alternatives in inpatient and outpatient hospital settings. In addition, we describe analysis planned to address the extent to which the inpatient and outpatient prospective payment systems introduce financial incentives for prescribing opioids versus non-opioid alternatives. We describe how Medicare monitors opioid use through claims and other data in Part D. Finally, we examine questions about possibly introducing an opioid monitoring program for Part A and Part B.

ACTION: Commissioners should provide comments on this research.