

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

ISSUE: Guidelines about short-term opioid use for acute pain may indicate that by monitoring opioid use only in the Part D program, Medicare 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 present results from analysis of 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 policy options for implementing a Part A and Part B opioid tracking program.

ACTION: Commissioners should provide comments on this research.