

INTERDISCIPLINARY PAIN MANAGEMENT AS A MEANS TO HELP ADDRESS SOLVENCY OF THE STATE EMPLOYEES' HEALTH INSURANCE TRUST FUND

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DEAR FELLOW TAXPAYER,

The Florida State Employees' Health Self-Insurance Trust Fund ("Trust Fund") is a self-insured health insurance plan that pays for health insurance claims (e.g., health, dental, vision, etc.) filed by state employees and their dependents and retirees enrolled in the State Group Insurance Program (SGIP). Although the Trust Fund is projected to remain solvent through the end of FY 2024-25, the ending cash balance for FY 2025-26 is projected to be **(\$237.2 MILLION)**, increasing to nearly **(\$1.7 BILLION)** by the end of FY 2029-30.

Chronic pain is a debilitating condition that affects daily work and life activities for many adults in the United States and has been linked with depression, Alzheimer disease and related dementias, higher suicide risk, and substance use and misuse. An estimated one-in-four U.S. adults experience chronic pain, resulting in substantial healthcare costs and lost productivity (absenteeism).

In a January 2025 report entitled "*Solvency of the State Employee Health Insurance Trust Fund*," Florida TaxWatch recommended the Legislature increase the contribution amount or percent for health insurance to be more consistent with that paid by other large public and private employers. This would shift more of the annual employee health insurance annual premiums to the employee and would result in significant savings (\$446 million annually) for the state. It would

also give state employees more incentive to take responsibility for improving their health and control costs. This is a good start, but it does not go far enough.

In this follow-up report, Florida TaxWatch explores the implementation of an interdisciplinary pain management program to mitigate the consistent increases in healthcare costs for those with complex chronic pain enrolled in the SGIP. Reducing the costs of health care will reduce the likelihood that the Legislature would have to increase premiums paid by state employees, their dependents, and retirees enrolled in the SGIP. Our dedicated state employees and hard-working taxpayers deserve nothing less.

Respectfully yours,

A handwritten signature in black ink that reads "Dominic M. Calabro".

Dominic M. Calabro
President & CEO

EXECUTIVE SUMMARY

The U.S. Centers for Disease Control and Prevention defines chronic diseases as “conditions that last one year or more and require ongoing medical attention or limit activities of daily living, or both.” Chronic pain is a widespread issue. In 2023, one-in-four adults had chronic pain and one-in-twelve adults had high-impact chronic pain in the preceding three months of a study. Many preventable chronic diseases are caused by a short list of risk behaviors—smoking, poor nutrition, physical inactivity, and excessive alcohol use. Chronic diseases such as heart disease and diabetes are the leading causes of death and disability in the U.S. and are the leading drivers of the nation’s \$4.5 trillion in annual healthcare costs.

Chronic disease afflicts many Floridians, including many of the more than 170,000 subscribers in the State Group Insurance Program (SGIP). Health insurance claims (e.g., health, dental, vision, etc.) filed by SGIP subscribers are paid from the Florida State Employees’ Group Health Self-Insurance Trust Fund (“Trust Fund”). Each year, the Legislature struggles to maintain the solvency of the Trust Fund, appropriating sufficient general revenue funds to offset staggering operating losses. The Trust Fund’s ending cash balance for FY 2025-26 is projected to be **(\$237.2 MILLION)**, increasing to nearly **(\$1.7 BILLION)** by the end of FY 2029-30.

The most effective healthcare model for complex chronic disease and pain is an interdisciplinary model that not only addresses the biological aspects of pain, but integrates the disciplines of medicine, psychology, and rehabilitation to enhance the quality of care, achieve better patient outcomes, and reduce reliance on pharmacological interventions (e.g., opioids). All of the specialist providers required to deliver care are present at the same location at the same time, making joint clinical decisions on each individual patient’s treatment plan. Unfortunately, the current healthcare delivery model is structurally limited in providing such care efficiently and in a cost-effective manner.

Interdisciplinary pain management has been shown to offer significant improvements in patient outcomes, compared to conventional treatment approaches. Research indicates that interdisciplinary pain management programs can reduce hospital costs, insurance expenses, use of analgesics (opioids), and costs associated with absenteeism (missed work). Pain

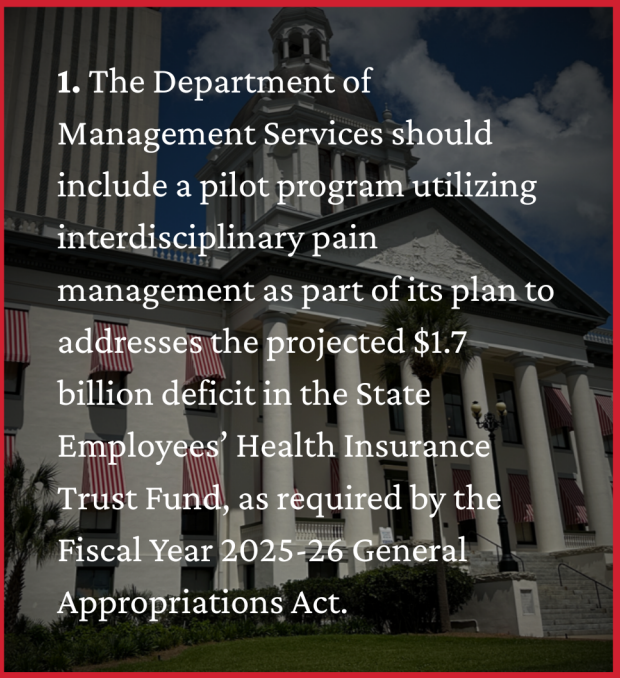
clinic patients enrolled in the interdisciplinary pain management program have fewer emergency department visits, fewer inpatient stays, and lower associated billing, compared with matched patients without interdisciplinary pain management services.

In its January 2025 research report entitled “*Solvency of the State Employees’ Health Insurance Trust Fund*,” Florida TaxWatch highlighted the rising costs of state employee health insurance expenses and identified potential policy solutions to maintain the solvency of the Trust Fund. Florida TaxWatch recommended aligning employee premium contributions more closely with those of other large employers, which could save the state approximately \$446 million annually. The report also suggests revising employee contribution rates based on actuarial benefit differences between existing health plans to promote financial equity and sustainability.

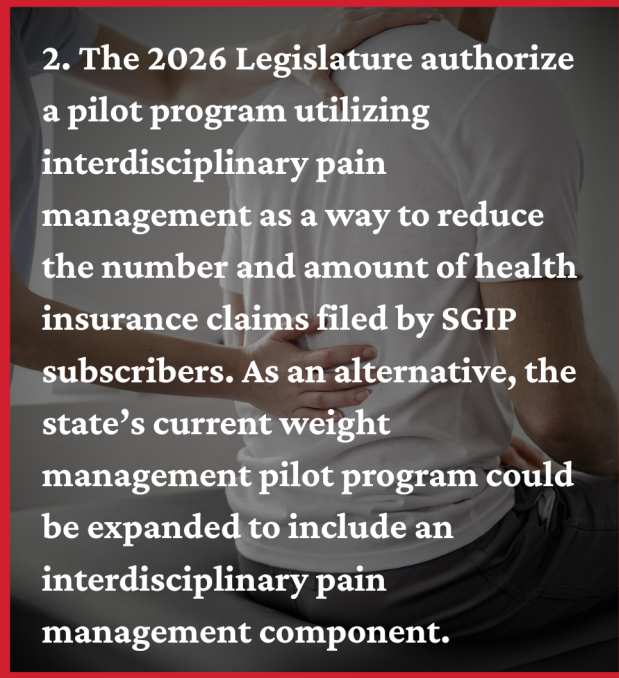
The Legislature has historically shown little appetite to increase the health insurance premiums paid by SGIP subscribers, choosing instead to absorb a higher percentage of the total health insurance costs and appropriate hundreds of millions of dollars each year to maintain the solvency of the Trust Fund. So...to maintain the solvency of the Trust Fund going forward, the Legislature can: (1) continue to appropriate hundreds of millions of dollars each year, increasing to nearly **(\$1.7 BILLION)** by the end of FY 2029-30; or (2) focus on implementing strategies designed to reduce the costs of health care and to reduce related expenses paid by the Trust Fund.

Florida TaxWatch believes that the use of interdisciplinary pain management, in conjunction with or in place of, increased health insurance premiums paid by SGIP subscribers, could go a long way toward maintaining the solvency of the Florida State Employees’ Health Insurance Trust Fund. To that end, Florida TaxWatch recommends...






1. The Department of Management Services should include a pilot program utilizing interdisciplinary pain management as part of its plan to address the projected \$1.7 billion deficit in the State Employees' Health Insurance Trust Fund, as required by the Fiscal Year 2025-26 General Appropriations Act.



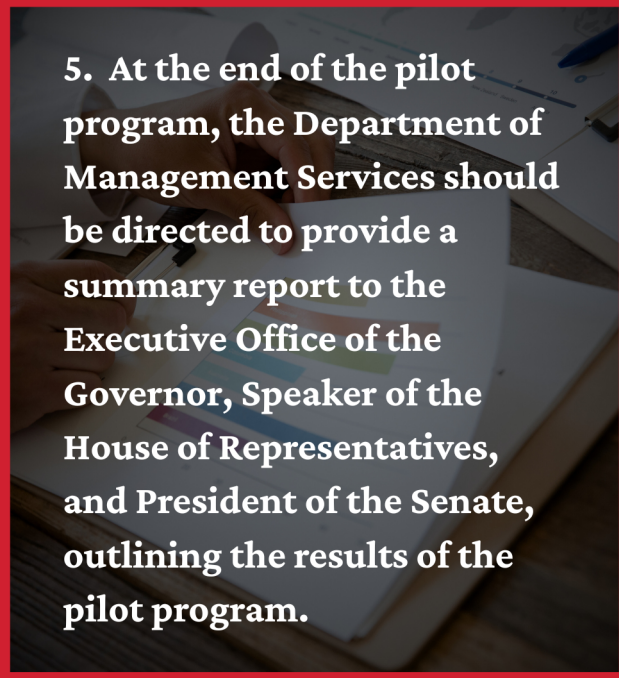
2. The 2026 Legislature authorize a pilot program utilizing interdisciplinary pain management as a way to reduce the number and amount of health insurance claims filed by SGIP subscribers. As an alternative, the state's current weight management pilot program could be expanded to include an interdisciplinary pain management component.



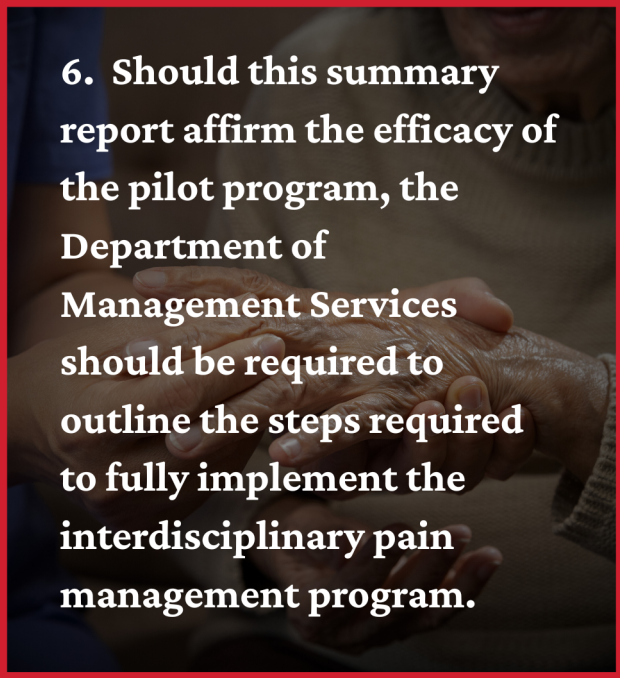
3. The Department of Management Services should be directed to competitively procure a properly accredited and credentialed interdisciplinary pain management provider to oversee and coordinate pilot program activities.



4. Further, all participating healthcare providers should be accredited by the Commission for Accreditation of Rehabilitative Facilities (CARF).



5. At the end of the pilot program, the Department of Management Services should be directed to provide a summary report to the Executive Office of the Governor, Speaker of the House of Representatives, and President of the Senate, outlining the results of the pilot program.



6. Should this summary report affirm the efficacy of the pilot program, the Department of Management Services should be required to outline the steps required to fully implement the interdisciplinary pain management program.

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INTRODUCTION

The U.S. Centers for Disease Control and Prevention (CDC) defines chronic diseases as “conditions that last one year or more and require ongoing medical attention or limit activities of daily living, or both.”¹ Chronic pain and high-impact chronic pain² are the most common reasons why adults seek medical care and are linked to a number of negative health outcomes, including:

- **Poor quality of life**—chronic pain can severely limit daily activities, limit social interactions, increase absenteeism and reduce work productivity, and lead to a general decline in an individual’s well-being;
- **Opioid misuse**—individuals experiencing chronic pain face a higher risk of developing opioid dependence and misuse; and
- **Mental health issues**—chronic pain can trigger existing conditions such as anxiety and depression, and can lead to feelings of hopelessness, isolation, and stress.

Chronic pain is a widespread issue. In 2023, one-in-four adults had chronic pain and one-in-twelve adults had high-impact chronic pain in the preceding three months of a study.³ Many preventable chronic diseases are caused by a short list of risk behaviors—smoking, poor nutrition, physical inactivity, and excessive alcohol use. Complex chronic diseases such as heart disease, diabetes, and chronic pain are the leading causes of disability in the U.S. and are the leading drivers of the nation’s \$4.5 trillion expenditure in annual healthcare costs.⁴

In a 2019 report from the Agency for Healthcare Research and Quality, five percent of the U.S. population aged 65 and older with complex chronic diseases account for 50 percent of total healthcare expenditures.⁵ Let that sink in for a second—five percent of the U.S. population aged 65 and older with complex chronic diseases account for 50 percent of total healthcare expenditures. This is significant in light of Florida’s aging population.

The University of Florida’s Bureau of Economic and Business Research (BEBR) estimates that, in 2025, more than 5.2 million Floridians are over the age of 65; by 2050, this number is projected to exceed 7.3 million.⁶

Chronic disease afflicts many Floridians, including many of the more than 170,000 subscribers in the State Group Insurance Program (SGIP). Health insurance claims (e.g., health, dental, vision, etc.) filed by SGIP subscribers are paid from the Florida State Employees’ Group Health Self-Insurance Trust Fund (“Trust Fund”). Each year, the Legislature struggles to maintain the solvency of the Trust Fund, appropriating sufficient general revenue funds to offset staggering operating losses.

Florida TaxWatch undertakes this research project as a follow-up to its January 2025 research report entitled “*Solvency of the State Employees’ Health Insurance Trust Fund*,” which highlighted the rising costs of state employee health insurance expenses and identified potential policy solutions to maintain the solvency of the Trust Fund. Florida TaxWatch recommended aligning employee premium contributions more closely with those of other large employers, which could save the state approximately \$446 million annually. The report also suggests revising employee contribution rates based on actuarial benefit differences between existing health plans to promote financial equity and sustainability.

In this follow-up report, Florida TaxWatch will explore the implementation and use of an interdisciplinary pain management program to reverse or mitigate the consistent increases in healthcare costs for state employees enrolled in the SGIP. Reducing the costs of health care will reduce the likelihood that the Legislature would have to increase premiums paid by state employees enrolled in the SGIP.

1 U.S. Centers for Disease Control, “About Chronic Diseases,” retrieved from <https://www.cdc.gov/chronic-disease/about/index.html>, May 20, 2025.

2 High-impact chronic pain is pain that often restricts life or work activities.

3 Lucas JW, Sohi I. Chronic pain and high-impact chronic pain in U.S. adults, 2023. NCHS Data Brief, no 518. Hyattsville, MD: National Center for Health Statistics. 2024. DOI: <https://dx.doi.org/10.15620/cdc/169630>.

4 U.S. Centers for Disease Control and Prevention, “Fast Facts: Health and Economic Costs of Chronic Conditions,” July 12, 2024, retrieved from <https://www.cdc.gov/chronic-disease/data-research/facts-stats/index.html>, June 10, 2025.

5 Mitchell E.M., “Concentration of Healthcare Expenditures and Selected Characteristics of High Spenders, U.S. Civilian Noninstitutionalized Population, 2019,” In: Statistical brief (medical expenditure panel survey (US)). Rockville, MD: Agency for Healthcare Research and Quality (US), 2022.

6 Bureau of Economic and Business Research, “Population Projections By Age, Sex, Race, and Hispanic Origin For Florida and Its Counties, 2025–2050, With Estimates for 2022,” University of Florida, Bulletin 196, October 2023.

FLORIDA STATE EMPLOYEES' HEALTH INSURANCE TRUST FUND

WHAT IS THE TRUST FUND?

The Florida State Employees' Health Insurance Trust Fund Trust Fund”) is a self-insured health insurance plan managed by the Department of Management Services that pays for health insurance claims (e.g., health, dental, vision, etc.) filed by state employees and their dependents and retirees enrolled in the State Group Insurance Program (SGIP). Like the Florida Retirement System, the SGIP is a defined-benefit program, in which the employee pays a fixed amount toward the monthly premium and the state pays the remainder.

Pursuant to s.216.136(9), Florida Statutes, the Self-Insurance Estimating Conference (“Conference”) is required to “develop such official information on self-insurance related issues as the conference determines is needed by the state planning and budgeting system.” The Conference, which is made up of professional staff from the Executive Office of the Governor, House of Representatives, Senate, and Office of Economic and Demographic Research, adopts periodic financial outlooks for the Trust Fund, the most recent of which covers the fiscal years ending June 30, 2025 through June 30, 2030.⁷ This latest financial outlook is summarized in Table 1.

TABLE 1.

	FY 2024-25 ESTIMATE	FY 2025-26 ESTIMATE	FY 2026-27 ESTIMATE	FY 2027-28 ESTIMATE	FY 2028-29 ESTIMATE	FY 2029-30 ESTIMATE
Beginning Cash Balance	\$652.7	\$353.3	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenues	\$3,603.8	\$3,912.4	\$4,050.1	\$4,160.1	\$4,306.3	\$4,463.3
Total Expenses	\$3,903.2	\$4,502.9	\$4,853.9	\$5,259.3	\$5,691.4	\$6,162.0
Operating Gain/(Loss)	(\$299.4)	(\$590.6)	(\$803.8)	(\$1,099.2)	(\$1,385.1)	(\$1,698.7)
Ending Cash Balance	\$353.3	(\$237.2)	(\$803.8)	(\$1,099.2)	(\$1,385.1)	(\$1,698.7)
<i>Source: March 5, 2025 Financial Outlook</i>						

HOW HEALTHY IS THE TRUST FUND?

As shown in Table 1, although the Trust Fund is projected to remain solvent through the end of FY 2024-25, the ending cash balance for FY 2025-26 is projected to be **(\$237.2 MILLION)**, increasing to a shortfall of nearly **(\$1.7 BILLION)** by the end of FY 2029-30. The Fiscal Year 2025-26 General Appropriations Act reflects the transfer of \$275 million in General Revenue to maintain a positive balance in the Trust Fund.⁸ Based upon recent history, it is likely the Legislature will appropriate sufficient General Revenue funds to maintain the Trust Fund’s solvency through the end of FY 2029-30.

⁷ Department of Management Services, “State Employees’ Group Health Self Insurance Trust Fund Report on Financial Outlook for the Fiscal Years Ending June 30, 2025 Through June 30, 2030,” March 5, 2025.

⁸ Florida TaxWatch, “The Taxpayer’s Guide to Florida’s FY 2025-26 State Budget,” September 2025.



This will become increasingly more challenging, since the constitutionally required Long-Range Financial Outlook (“Outlook”)⁹ projects a dramatic change from recent state budget surpluses to potential deficits beginning in FY 2026-27. A \$2.1 billion surplus is projected for FY 2025-26; however, without legislative intervention, this could become a \$2.8 billion deficit in FY 2026-27 and a \$6.9 billion deficit in FY 2027-28. Waiting until the projected deficits materialize before taking action will result in the need for more severe budget cuts in other programs.¹⁰ Florida TaxWatch urges the Legislature not to wait until the deficits projected for FY 2026-27 and beyond occur to begin paring down the state budget.

Proviso language in line item 2567 of the Fiscal Year 2025-26 General Appropriations Act holds specified funds in reserve until the Department of Management Services submits to the chair of the Senate Appropriations Committee, the chair of the House of Representatives Budget Committee, and the Governor’s Office of Planning and Budget, a plan that, among other things, addresses the projected \$1.7 billion deficit in the Trust Fund.

In its January 2025 report entitled “*Solvency of the State Employee Health Insurance Trust Fund*,” Florida TaxWatch acknowledged that, over the past couple of decades, the cost of health insurance available through the SGIP has more than doubled, while the annual premiums paid by the subscriber for both single and family coverage have not changed over this period, leaving the state to bear the increased costs. Florida TaxWatch recommended the Legislature establish a set state contribution amount or percent for health insurance that is more consistent with that paid by other large public and private employers. This would shift more of the annual employee health insurance annual premiums to the employee and would result in significant savings (\$446 million annually) for the state.

In the remainder of this report, Florida TaxWatch explores the use of interdisciplinary pain management as a means to reduce the healthcare expenses of SGIP subscribers and to help maintain the solvency of the Trust Fund.

INTERDISCIPLINARY PLAN MANAGEMENT

WHAT IS INTERDISCIPLINARY PAIN MANAGEMENT?

The most effective healthcare model for complex chronic disease and pain is an interdisciplinary model that not only addresses the biological aspects of pain, but integrates the disciplines of medicine, psychology, and rehabilitation to enhance the quality of care, achieve better patient outcomes, and reduce reliance on pharmacological interventions (e.g., opioids). All of the specialist providers required to deliver care are present at the same location at the same time, making joint clinical decisions on each individual patient’s treatment plan. Unfortunately, the current healthcare delivery model is structurally limited in providing such care efficiently and in a cost-effective manner.

An “ideal” interdisciplinary pain management team consists of a group of professionals who:

- Shares a common conceptualization of the patient in pain;
- Synthesizes the information from their clinical evaluations into an intelligent diagnosis and treatment plan for each patient;
- Works together to formulate and implement a comprehensive rehabilitation plan based on available data;
- Shares a common philosophy of pain and disability management; and
- Acts as a functional unit whose members are willing to learn from each other and modify their own opinions based on the combined observations and expertise of the other team members.¹¹

⁹ An annual comparison of projected revenues and expenses for the next three fiscal years.

¹⁰ Florida TaxWatch, “Florida’s Budget Outlook: Is the Party Over? Long-Range Financial Outlook Forecasts Coming Budget Deficits,” October 3, 2024.

¹¹ C. David Tollison, Ph.D., and Michael L. Krieger, Ph.D., “Interdisciplinary Rehabilitation: An Overview.”

HOW DOES INTERDISCIPLINARY PAIN MANAGEMENT WORK?

To better understand how interdisciplinary pain management works, let us look at what has been widely considered to be a model program—the Pain Therapy Center of Greenville, South Carolina (“the Center”). The Center was established in 1980 as part of the Greenville hospital system. The Center staff included an interdisciplinary team of healthcare professionals, including medical psychologists, physical therapists, behavior therapists, occupational therapists, nurses, and vocational specialists, all of whom devote their full time and attention to rehabilitating patients with chronic pain.

Patients were treated in a highly-structured, intensive, graded interdisciplinary program of non-surgical rehabilitation. Treatment goals included: (1) increased physical activity; (2) decreased intake or elimination of analgesic agents;¹² (3) decreased subjective estimates of pain; (4) decreased utilization of and dependence on healthcare facilities; and (5) return to employment and productivity.¹³

Each patient participated in a “preadmission evaluation,” during which the patient is examined by a physician, clinical psychologist, physical therapist, and a vocational specialist. Family members are interviewed by a social worker. The medical and physical therapy evaluations are designed to define the patient’s physical limitations and to better identify medically advisable physical activities. The psychological evaluation is designed to determine a patient’s general psychological and personality status. A certified vocational specialist reviews the patient’s work experience, skills, and interests to determine if the patient may need vocational assistance to return to work. A social worker interviews family members to identify the impact of the patient’s pain behavior on the family.

As a result of the preadmission evaluation, approximately 22 percent of referred patients are rejected at the end of the preadmission process. Of this 22 percent:

- 63 percent demonstrated “inadequate motivation to reduce their pain and disability”;
- 28 percent were judged as suffering severe psychological/psychiatric disturbances that required a more traditional psychological/psychiatric referral; and
- The remaining nine percent were rejected for a variety of other reasons (e.g., lack of cooperation, etc.).¹⁴

Upon admission, patients are subjected to a variety of therapeutic modalities. Patients participate in a program of regular exercise, including stretching, building endurance and stamina, and strengthening muscles. Physical therapy is active and intensive and uses a “work to quota” approach¹⁵ to increase a patient’s strength, stamina, and range of motion. Program physicians are responsible for a patient’s physical examinations and determining the need for additional diagnostic tests or medications. For patients who are “vocationally disabled” as a result of the pain and can no longer work, vocational and occupational therapists engage them in a program designed to return them to productive employment.

Clinical psychologists assess patients’ pain experiences, identify psychological factors contributing to pain, and evaluate the impact of pain on their lives. This may involve using standardized assessments, interviews, and observations to understand the patient’s emotional, cognitive, and behavioral responses to pain.

¹² An analgesic agent, also commonly called a painkiller or pain reliever, is a medication or substance used to relieve pain. Analgesics work by either reducing inflammation at the site of the pain or by changing the way the brain processes and perceives pain.

¹³ *Supra*, see footnote 11.

¹⁴ *Supra*, see footnote 11.

¹⁵ A “work to quota” approach, also known as a graded activity or quota-based exercise, is a method used to help patients gradually increase their physical activity levels, particularly those with chronic pain conditions.

WHAT ARE THE BENEFITS OF INTERDISCIPLINARY PAIN MANAGEMENT?

IMPROVED PATIENT OUTCOMES

Interdisciplinary pain management has been shown to offer significant improvements in patient outcomes, compared to conventional treatment approaches. A group of 100 patients consecutively admitted to the Center with a diagnosis of chronic lower back pain that had not responded to multiple traditional medical interventions and treatments was studied. Physical measurements at the time of admission (baseline) and at discharge were compared. All 100 patients showed increased physical strength, stamina, endurance, range of motion, and overall physical activity, with total increases per patient averaging 356 percent. At a 12-month follow-up, 74 of the 83 patients who returned for the follow-up (89 percent) had successfully maintained the treatment gains measured at discharge.¹⁶

Eighty-four of the patients studied were taking an average of 2.2 medications (including narcotics) for pain at the time of program admission. At discharge, 74 patients (88 percent) who were formerly taking medication were taking no medication at all. At a 12-month follow-up, 63 patients (75 percent) who were taking medication at the time of admission were taking no medication for pain.¹⁷ Subjective pain intensity was rated daily by each patient on a five-point scale. At discharge, the average decrease in pain intensity was 31 percent. At a 12-month follow-up, 61 patients reported decreases in pain intensity averaging 40 percent.¹⁸ The (over)use of healthcare facilities decreased sharply after discharge. At a 12-month follow-up, only 15 patients reported continued medical care while 85 patients (85 percent) reported no additional physician visits except for those initiated by workers' compensation staff.¹⁹

Three patients were working at the time of their admission; however, at the time of discharge, an additional 37 patients returned to work full time or were attending school or vocational training. At a 12-month follow-up, 27 more patients (67 total) were working or attending school regularly. This represents a 66 percent increase since admission.²⁰ A meta-analysis of 65 studies reviewed the outcomes of chronic pain programs and reported an average reduction in pain of 20 percent. Reduction rates in other studies have ranged from 0 percent to 60 percent.²¹

Research suggests that patients who discontinue opioids show significant treatment improvement in immediate and long-term outcomes. Patients enrolled in the Mayo Clinic Pain Rehabilitation Center (PRC) in 2015 were divided into groups on the basis of their opioid use at the time of admission—the 142 patients who were taking opioids were compared to the 143 patients who were not. Physician and pharmacist supervised “opioid tapering”²² is a cornerstone of the PRC program of care. At admission, the daily opioid dose (baseline) for each patient is determined. Within a few days, a taper schedule is developed and implemented. At discharge, all patients in the opioid group had completed the opioid taper and discontinued opioid use. Six months after discharge, a follow-up survey was sent to the 285 patients who completed treatment. Of the 119 patients who responded to the survey, only 12 (10.1 percent) reported opioid use.²³

Of the 941 patients who were taking opioids at the time of admission, 87 percent were weaned. Results showed immediate and sustained improvements in pain severity, depression, anxiety, and functional impairment. Only 31 percent of patients weaned from opioids resumed opioid use. These results suggest that patients on chronic opioid therapy can be successfully weaned with long-term benefits in pain, mood, and function.²⁴

16 Supra, see footnote 11.

17 Supra, see footnote 11.

18 Supra, see footnote 11.

19 Supra, see footnote 11.

20 Supra, see footnote 11.

21 Timothy S. Clark, “Interdisciplinary Treatment for Chronic Pain: Is It Worth the Money?,” Proc (Bayl Univ Med Cent). 2000 Jul;13(3):240-3. doi: 10.1080/08998280.2000.11927682. PMID: 16389389; PMCID: PMC1317047.

22 Opioid tapering is the reduction of opioid doses over time.

23 Wesley P. Gilliam, et.al., “Longitudinal Treatment Outcomes for an Interdisciplinary Pain Rehabilitation Program: Comparisons of Subjective and Objective Outcomes on the Basis of Opioid Use Status,” The Journal of Pain, Vol.19., No. 6 (June), 2018.

24 Huffman KL, Rush TE, Fan Y, Sweis GW, Vij B, Covington EC, Scheman J, Mathews M., “Sustained Improvements in Pain, Mood, Function and Opioid Use Post Interdisciplinary Pain Rehabilitation in Patients Weaned from High and Low Dose Chronic Opioid Therapy,” Pain. 2017 Jul;158(7):1380-1394. doi: 10.1097/j.pain.0000000000000907. PMID: 28328578.

Another study documented that 65 percent of patients seen at clinics before enrolling in a pain management program used opioids, compared with 20 percent of patients at discharge from a pain management program. Another study found that 73 percent of patients reduced their use of opioids while in a pain management program.²⁵

Opioids are of particular significance to Floridians. In June 2017, the National Academies of Sciences, Engineering, and Medicine reported that “drug overdose is now the leading cause of death from unintentional injury in the United States, and most of these deaths involve an opioid (prescription or illegal nonprescription).”²⁶ In May 2017, then-Governor Rick Scott issued Executive Order 17-146, which acknowledged the national opioid epidemic and cited 33,000 opioid-related deaths nationally and nearly 3,900 opioid-related deaths in Florida. The Council of Florida Medical School Deans (“the Council”) prepared the “*Framework for Developing Core Competencies on Pain Management and Opioid Stewardship Education*,” which is a “tool kit” for educating medical students. In August 2018, the Council formally adopted “*A Commitment to Pain Management Education in Florida’s Medical Schools*,” which included seven general principles of effective pain management.

GREATER COST SAVINGS

Interdisciplinary pain management has been shown to offer significant cost savings, compared to conventional treatment approaches. Research indicates that interdisciplinary pain management programs can reduce hospital costs, insurance expenses, and costs associated with absenteeism (missed work). A 2018 study of Medicaid pediatric patients with chronic pain compared costs one year before initiating interdisciplinary pain management to the costs one year after. Researchers found that pain clinic patients had fewer emergency department visits, fewer inpatient stays, and lower associated billing, compared with the year before without interdisciplinary pain management services. Cost savings to the hospital were estimated at \$36,228 per patient per year. Cost savings to the insurance providers were estimated at \$11,482 per patient per year.²⁷

²⁵ Supra, see footnote 21.

²⁶ Council of Florida Medical School Deans, “Pain Management and Opioid Stewardship Education for Florida Medical Schools,” August 2018.

²⁷ Nicole E. Mahrer, Jeffrey I. Gold, Michael Luu, Patricia M. Herman, “A Cost-Analysis of an Interdisciplinary Pediatric Chronic Pain Clinic,” *The Journal of Pain*, Volume 19, Issue 2, February 2018, Pages 158-165.

²⁸ Okifuji, A.A., Turk, D.C., Kalauokalani, D., “Clinical Outcomes and Economic Evaluation of the Multidisciplinary Pain Centers,” In: Block A, Kremer EE, Fernandez E, editors. *Handbook of Pain Syndromes*. Mahwah, NJ: Lawrence Erlbaum Publishers; 1999. pp. 77-97.

²⁹ Supra, see footnote 21.

³⁰ Supra, see footnote 21.

Clinical studies have also documented significant reductions in healthcare utilization by those engaged in interdisciplinary pain management, which reduces the costs of health care. A literature review shows that only 17 percent of patients treated at interdisciplinary centers required further hospitalization, and only 16 percent required additional surgery. In contrast, 47 percent of conventionally treated patients required hospitalization and 28 percent required surgery.²⁸

An analysis of the cost benefits and cost-effectiveness of interdisciplinary pain management programs calculated the savings possible for 17,600 patients, the estimated number of patients treated annually in interdisciplinary pain management programs. This analysis showed dramatic cost savings for persons who had been involved in interdisciplinary treatment programs:

- \$260 million in one-year post-treatment non-surgical medical costs would be saved for individuals treated in interdisciplinary programs rather than with conventional or non-surgical treatment;
- Patients treated in interdisciplinary programs would spend \$280 million less for medical costs in the year following treatment and additional surgery than those treated conventionally; and
- Annual savings for subsequent surgical costs would be approximately \$63 million when patients were treated in an interdisciplinary program rather than surgically.²⁹

When the costs of lifetime disability benefits are included, the cost savings are more dramatic. The cost savings from reduced disability benefits for persons participating in interdisciplinary pain management programs were estimated at \$2.5 billion over 20 years. When the loss of gainful employment was factored in, interdisciplinary treatment was found to be nine times more cost-effective than conservative treatment and 3.5 times more effective than surgical treatment in helping patients return to work.³⁰

RETURN TO WORK

Another area of study has been the effects of interdisciplinary pain programs on increased physical activity, including the return to work. Research shows that 65 percent of patients treated and discharged from pain programs showed an increase in physical activity, compared to 35 percent of conventionally treated patients.³¹ Return-to-work studies vary significantly due to the wide variety of factors that can impact a patient's return to work; however, researchers have found that the average return-to-work rate for persons treated at interdisciplinary pain centers was 67 percent, substantially higher than the 24 percent rate achieved by patients who had received only conventional medical treatment.³²

WHY ISN'T INTERDISCIPLINARY PAIN MANAGEMENT MORE WIDESPREAD?

Studies have shown that interdisciplinary pain management clinics can lead to a significant decrease in hospital costs per patient, which translates to substantial cost savings for healthcare systems and payers. Insurance companies benefit from lower medical billings and reduced healthcare resource utilization. Employers benefit from the improvements in patients' functional abilities and fewer days of missed work. Patients benefit from the reduction in pain and reduced dependence on analgesics/opioids. Why then, is the use of interdisciplinary pain management not more widespread?

Despite considerable evidence of the effectiveness of treatments, interdisciplinary pain management programs have suffered from widespread barriers to implementation. Research has identified four major implementation challenges: navigating coverage, payment, and reimbursement; enacting organizational change; making a business case to stakeholders; and overcoming regulatory hurdles.³³

NAVIGATING COVERAGE, PAYMENT, AND REIMBURSEMENT

The reimbursement of interdisciplinary pain management services is often misaligned with the value of those services. Whereas prescription pain medications, surgery, and injections are generally well-reimbursed despite evidence of limited effectiveness in treating chronic pain, other treatments with evidence of more favorable impacts on chronic pain (e.g., acupuncture, spinal manipulation, yoga, etc.) are inconsistently covered and are less likely to be reimbursed for these treatments.³⁴

Interdisciplinary pain management services are also subjected to a number of utilization management tools, such as prior authorization requirements, utilization reviews, or limited numbers of visits. These tools restrict access and increase administrative burden. Payers argue that these tools are necessary because of uncertainties surrounding “best practices” for interdisciplinary pain management services. Because payment is intended to cover all evaluation and pain management services for related conditions, reimbursement is often restricted for multiple visits on the same day.³⁵

ENACTING ORGANIZATIONAL CHANGE

Interdisciplinary pain management programs represent a paradigm shift in pain management, by providing services that span a range of disciplines (e.g., nutrition, behavioral health, social services, etc.) in addition to conventional treatment. As a result, nearly all programs reported the need to undergo substantial organizational change. Early challenges faced by most health systems include:

- Garnering buy-in from clinical staff to deliver a different model of care;
- Overcoming the reluctance to refer patients to other clinicians for pain management, especially if they were not familiar with the services being delivered (e.g., yoga, acupuncture, etc.);
- Requiring various departments and cost centers to collaborate in unique ways with new reporting structures, new methods of cost and revenue sharing, and shared clinicians and staff; and
- Requiring collaboration among service providers that do not commonly work together.³⁶

31 Flor H., Fydrich, T, Turk, D.C., “Efficacy of Multidisciplinary Pain Treatment Centers: a Meta-analytic Review,” *Pain*. 1992;49:221–230. doi: 10.1016/0304-3959(92)90145-2.

32 *Supra*, see footnote 28.

33 Trevor A. Lentz, Jonathan Gonzalez-Smith, Katie Huber, Christine Goertz, William K. Bleser, Robert Saunders, “Overcoming Barriers to the Implementation of Integrated Musculoskeletal Pain Management Programs: A Multi-Stakeholder Qualitative Study,” *The Journal of Pain*, Volume 24, Issue 5, May 2023, Pages 860-873.

34 *Ibid*.

35 *Ibid*.

36 *Ibid*.

MAKING A BUSINESS CASE TO STAKEHOLDERS

In making the case for start-up and recurring funding for interdisciplinary pain management, healthcare systems focused primarily on three things: demonstrating eventual return on investment (ROI); showing the potential for cost prevention; and highlighting nonfinancial returns. Although ROI was frequently cited as the most important factor in getting leadership buy-in to build and sustain programs, demonstrating ROI is difficult because different stakeholders have different perspectives on what constitutes a suitable ROI. Low reimbursement rates for most interdisciplinary pain management services create an additional challenge for demonstrating ROI.³⁷

OVERCOMING REGULATORY HURDLES

State and federal regulations impact the healthcare system's ability to deliver and pay for care. One major logistical issue for payers is identifying and credentialing qualified interdisciplinary pain management practitioners, since many of their services are commonly delivered outside of the traditional healthcare setting. For traditional medical services, payers rely on licensure provided by state licensure boards. This is not the case for many interdisciplinary pain management providers.

Payers are also challenged by the various regulatory restrictions that impact how and how much they can pay for interdisciplinary pain management services. For example, private payers, including employer-sponsored insurance, Medicaid managed care plans, and Medicare Advantage plans, are limited in what can be covered as a medical expense (versus an administrative cost), and plans must spend a certain percentage of their premiums on medical expenses (what is called a medical loss ratio).³⁸ If an insurer's medical loss ratio falls below established standards (e.g., 80 percent), the insurer is deemed to be making too much profit and must provide rebates to the policyholders to reflect the excess profit margins.

³⁷ Ibid.

³⁸ Ibid.

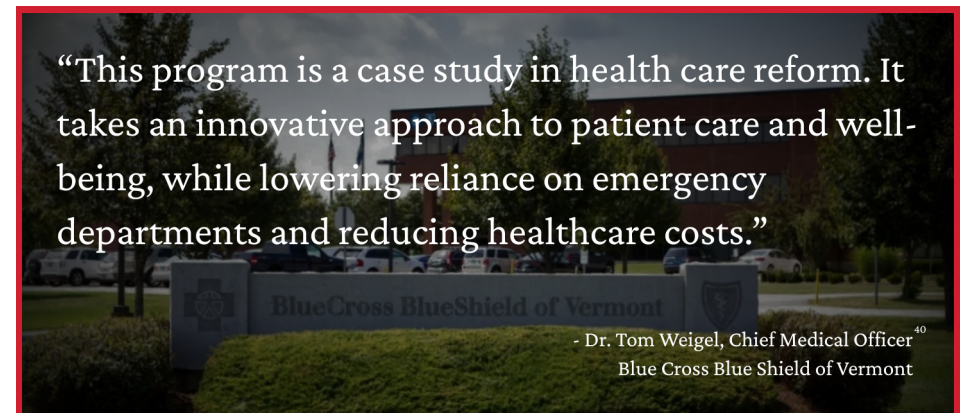
³⁹ University of Vermont Medical Center, "UVM Medical Center's Comprehensive Pain Program Wins Blue Cross VT Provider Innovation Award," Newsroom, March 20, 2023, retrieved from <https://www.uvmhealth.org/news/medcenter/uvm-medical-centers-comprehensive-pain-program-wins-blue-cross-vt-provider-innovation-award#:~:text=The%20traditional%20medical%20approach%20has,annually%20and%20launched%20in%202021>, July 7, 2025.

⁴⁰ Ibid.

One program that has overcome these hurdles is the University of Vermont Medical Center's Partners Aligned in Transformative Healing (PATH) Program. Launched in 2019, the PATH Program is an intensive 16-week program that integrates modern medicine with a variety of evidence-based alternative therapies to manage chronic pain.



The PATH Program has been recognized by Blue Cross Blue Shield of Vermont, winning the organization's 2023 Blue Cross Provider Innovation Award. Through a partnership with the PATH Program, Blue Cross Blue Shield of Vermont offers a bundled payment program that allows members access to therapies and services that are not routinely covered by traditional health insurance.



CONCLUSIONS AND RECOMMENDATIONS

Chronic pain is a significant public health concern with far-reaching consequences for individual well-being and societal health. Traditional approaches to caring for chronic pain are frequently “unimodal”—the use of single treatments like medication—and focused on addressing the physiological aspects of the condition. As a result, traditional pain management approaches often provide limited benefit for patients with chronic pain.

An interdisciplinary approach to managing chronic pain, on the other hand, addresses not only the biological and physical aspects of pain, but the psychological and social factors as well. This results in a more comprehensive and effective treatment plan, with a reduced reliance on analgesic or pharmacological interventions (i.e., opioids). Interdisciplinary pain management programs have proven to be cost-effective, especially for patients who are high utilizers of healthcare resources. By addressing all aspects of pain, these programs have been shown to improve functional patient outcomes, reduce pain, and (ultimately) lower overall healthcare costs.

The state of Florida provides a suite of health insurance programs and services to employees, their dependents, and retirees through the State Group Insurance Plan (SGIP). Health insurance claims (e.g., health, dental, vision, etc.) filed by SGIP subscribers are paid from the Florida State Employees’ Health Insurance Trust Fund (“Trust Fund”). In its January 2025 research report entitled “*Solvency of the State Employees’ Health Insurance Trust Fund*,” Florida TaxWatch highlighted the rising costs of state employee health insurance expenses and identified potential policy solutions to maintain the solvency of the Trust Fund. Florida TaxWatch recommended aligning employee premium contributions more closely with those of other large employers, which could save the state approximately \$446 million annually. The report also suggests revising employee contribution rates based on actuarial benefit differences between existing health plans to promote financial equity and sustainability.

Florida TaxWatch firmly believes that, based upon the experience of states like Georgia and South Carolina, Florida could dramatically reduce Florida State Employees’ Health Insurance Trust Fund expenses by changing the way the state treats chronic pain. The Georgia State Health Benefit Plan insures about 700,000 members, 34,639 of which have been diagnosed with chronic pain. From 2019 to 2024, about \$2.58 billion was spent to treat those with chronic pain.⁴¹ This represents an average of roughly \$429.3 million annually, or roughly \$12,395 per person per year. South Carolina’s Public Employee Benefit Association insures 7,600 individuals diagnosed with chronic pain. Each year from 2019 to 2024, an average of \$105 million was spent to treat these individuals, an average of \$13,815 per person per year.⁴²

Recent figures indicate the Florida State Group Insurance Program has roughly 171,000 subscribers and provides coverage to approximately 350,000 individuals.⁴³ A 2023 study from the National Institutes of Health found that the rate of chronic pain and high-impact chronic pain (HICP) among adults is approximately 21 percent and eight percent, respectively.⁴⁴ There is no reason to believe that the population covered by the SGIP is any different. If true, this means that a minimum of 35,000 SGIP subscribers⁴⁵ experience chronic pain. Assuming the 21 percent of the SGIP subscribers who are estimated to experience chronic pain also account for 21 percent of the projected SGIP health expenses during FY 2025-26, an estimated \$945.4 million would be spent annually to mitigate the effects of chronic pain. Florida TaxWatch believes this amount to underrepresent the actual costs.

The Legislature has historically shown little appetite to increase the health insurance premiums paid by SGIP subscribers, choosing instead to absorb a higher percentage of the total health insurance costs and appropriate hundreds of millions of dollars each year to maintain the solvency of the Trust Fund. So... to maintain the solvency of the Trust Fund going forward, the Legislature can: (1) continue to appropriate hundreds of millions of dollars each year, increasing to nearly (\$1.7 billion) by the end of FY 2029-30; or (2) focus on implementing strategies designed to reduce the costs of health care and to reduce related expenses paid by the Trust Fund.

41 March 20, 2025 letter from Michael L. Kriegel, Ph.D., to SGIP Director Teela Sanders.

42 June 5, 2025 letter from Michael L. Kriegel, Ph.D., to SGIP Director Teela Sanders.

43 Supra, see footnote 7.

44 Nahin RL, Feinberg T, Kapos FP, Terman GW, “Estimated Rates of Incident and Persistent Chronic Pain Among US Adults, 2019-2020,” JAMA Netw Open. 2023 May 1;6(5):e2313563. doi: 10.1001/jamanetworkopen.2023.13563. PMID: 37191961; PMCID: PMC10189566.

45 Florida TaxWatch uses subscribers instead of total covered because all subscribers are presumed to be adults.

Florida TaxWatch believes that the use of interdisciplinary pain management, in conjunction with or in place of, increased health insurance premiums paid by SGIP subscribers, could go a long way toward maintaining the solvency of the Florida State Employees' Health Insurance Trust Fund. To that end, Florida TaxWatch recommends:

1. THE DEPARTMENT OF MANAGEMENT SERVICES SHOULD INCLUDE A PILOT PROGRAM UTILIZING INTERDISCIPLINARY PAIN MANAGEMENT AS PART OF ITS PLAN TO ADDRESSES THE PROJECTED \$1.7 BILLION DEFICIT IN THE STATE EMPLOYEES' HEALTH INSURANCE TRUST FUND, AS REQUIRED BY THE FISCAL YEAR 2025-26 GENERAL APPROPRIATIONS ACT.

2. THE 2026 LEGISLATURE AUTHORIZE A PILOT PROGRAM UTILIZING INTERDISCIPLINARY PAIN MANAGEMENT AS A WAY TO REDUCE THE NUMBER AND AMOUNT OF HEALTH INSURANCE CLAIMS FILED BY SGIP SUBSCRIBERS. AS AN ALTERNATIVE, THE STATE'S CURRENT WEIGHT MANAGEMENT PILOT PROGRAM COULD BE EXPANDED TO INCLUDE AN INTERDISCIPLINARY PAIN MANAGEMENT COMPONENT.

3. THE DEPARTMENT OF MANAGEMENT SERVICES SHOULD BE DIRECTED TO COMPETITIVELY PROCURE A PROPERLY ACCREDITED AND CREDENTIALLED INTERDISCIPLINARY PAIN MANAGEMENT PROVIDER TO OVERSEE AND COORDINATE PILOT PROGRAM ACTIVITIES.

4. FURTHER, ALL PARTICIPATING HEALTHCARE PROVIDERS SHOULD BE ACCREDITED BY THE COMMISSION FOR ACCREDITATION OF REHABILITATIVE FACILITIES (CARF).

5. AT THE END OF THE PILOT PROGRAM, THE DEPARTMENT OF MANAGEMENT SERVICES SHOULD BE DIRECTED TO PROVIDE A SUMMARY REPORT TO THE EXECUTIVE OFFICE OF THE GOVERNOR, SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND PRESIDENT OF THE SENATE, OUTLINING THE RESULTS OF THE PILOT PROGRAM.

6. SHOULD THIS SUMMARY REPORT AFFIRM THE EFFICACY OF THE PILOT PROGRAM, THE DEPARTMENT OF MANAGEMENT SERVICES SHOULD BE REQUIRED TO OUTLINE THE STEPS REQUIRED TO FULLY IMPLEMENT THE INTERDISCIPLINARY PAIN MANAGEMENT PROGRAM.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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