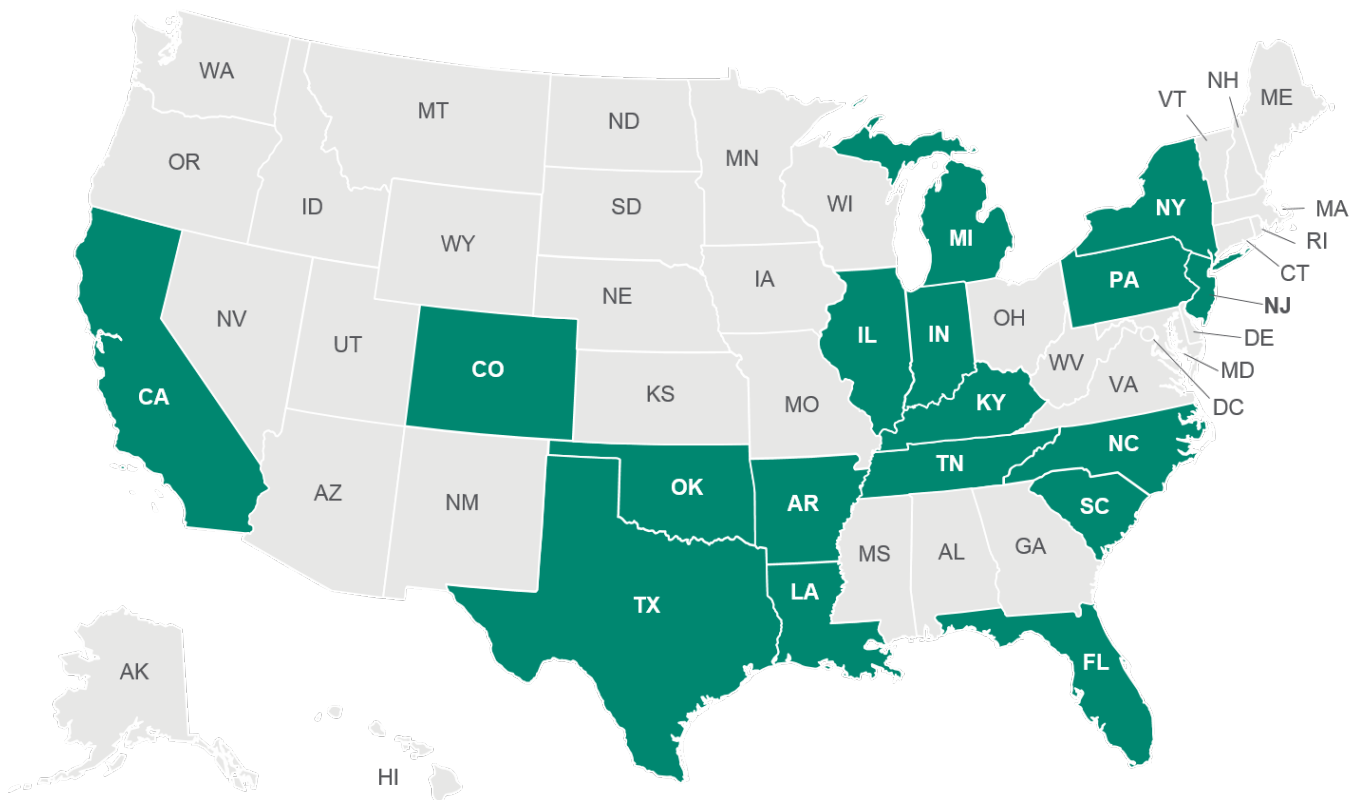


Strategic opportunities in key states

Workers' compensation regulatory support and strategies to reduce drug utilization

The purpose of this document is to provide an overview of clients in key states which have adopted jurisdictionally focused public policies which may enable clients to better engage regulatory policies to increase network penetration while reducing pharmacy utilization and spend.



LEGEND



Physician Dispensed / Repackaged



Compounded Medications



Treatment Guidelines / Workers' Comp Formulary



Opioid Restrictions



Direction of Care

ARKANSAS (<http://www.awcc.state.ar.us/>)



No dispense fee to physicians. Over-the-counters (OTCs) billed by physicians: use CPT 99070 and provide cost invoice with bill (reimbursement limited to provider's charge or up to 20% above cost of item).



Per drug formulary, compounds require prior authorization and medical certification.



Workers' comp-specific opioid treatment guidelines. Initial prescriptions limited to a five-day supply not to exceed 50 MED dosage limit per day without prior authorization. Subsequent opioid prescriptions limited to 90-day supply not to exceed a 90 MED dosage limit per day. http://www.awcc.state.ar.us/rules/rule099_41.pdf

CALIFORNIA (www.dir.ca.gov/dwc)



If National Drug Code (NDC) of dispensed medication not in Medi-Cal, but NDC of underlying medication is, use NDC of underlying medication. If NDC from original labeler not in Medi-Cal, max fee is 83% of Average Wholesale Price (AWP).



Billed using NDC of each ingredient. If no NDC, ingredient not reimbursable. Reimbursement for physician-dispensed compounded medications not to exceed 300% of documented paid costs or \$20 above. Per drug formulary, compounds require prior authorization.



Medications to be prescribed in accordance with existing Opioid Treatment guidelines and/or Chronic Pain guidelines. California also utilizes an American College of Occupational and Environmental Medicine (ACOEM) based workers' comp drug formulary requiring prior authorization for medications not approved by the drug list and brand medications where generic(s) exist. <https://www.dir.ca.gov/dwc/MTUS/MTUS.html>



RX: Employer may select pharmacy provider through modifying an existing MPN to add a pharmacy network as an ancillary provider or by establishing a PBN (does not require modification / registration) with a pharmacy network.

COLORADO (<https://www.colorado.gov/pacific/cdle/dwc>)



Repackaged medication(s) reimbursed using original AWP and NDC assigned by source of the repackaged medication(s).



State-specific billing codes and reimbursement allowable based upon the billing code creates reimbursement cap(s) for compounded medications. Compound ingredients must be listed by quantity used. Day-supply and reimbursement cap(s) for topicals and patches.



Opioids classified as Schedule II or III prescribed for treatment lasting more than seven days shall be provided through a pharmacy.



State-specific treatment guidelines for treatment of chronic pain disorder. <https://www.colorado.gov/pacific/cdle/node/20291>

FLORIDA (<https://www.myfloridacfo.com/division/WC/>)



Physician dispensed repackaged/re-labeled medications are reimbursed – at physician dispensing fee schedule – utilizing AWP set by original manufacturer of the underlying medication dispensed.



Compounded medications considered a "specialty service" which requires prior authorization. Compounds are reimbursed at fee schedule of each ingredient with an NDC component.



Global prescribing restriction limits a prescription for opioids to treat acute pain to no more than a three-day supply or up to a seven-day supply if certain criteria are met.



Prohibited

ILLINOIS (<https://www2.illinois.gov/sites/iwcc/Pages/default.aspx>)



Prescriptions dispensed outside a licensed pharmacy are reimbursed at AWP plus \$4.18 DF using AWP from original manufacturer identified by NDC from original labeler.



Employer may select pharmacy provider via a Preferred Provider Program (PPP) network which may be an existing PPP with an added pharmacy network component or a stand-alone pharmacy PPP.

INDIANA (<https://www.in.gov/wcb/>)



Reimbursement for repackaged prescription medications dispensed by entity other than retail or mail pharmacy shall be based on the AWP set by original manufacturer. Physicians only receive reimbursement for medications dispensed during the first seven days, including the date of injury.



Per drug formulary, prior authorization required for compounded medications if they are indicated as N drugs by the Official Disability Guidelines (ODG) under the workers' comp drug formulary.



State-specific ODG based workers' compensation drug formulary. <https://www.in.gov/wcb/2595.htm>



Global prescribing restriction limits initial prescribing of opioids to a seven-day supply.

KENTUCKY (<https://labor.ky.gov/comp/Pages/default.aspx>)



Practitioners prohibited from dispensing greater than a 48-hour supply of any Schedule II or Schedule III containing hydrocodone unless done as part of an opioid treatment program. AWP of a physician dispensed, repackaged, or compounded medication is determined using the NDC of the original product from the manufacturer and dispense fee only payable to licensed pharmacist.



Per ODG-based workers' comp drug formulary – effective July 1, 2019 – prior authorization required for all compounded medications.



State has an ODG-based drug formulary – effective July 1, 2019 – will require prior authorization for all “N” drugs and compounded medications. <https://labor.ky.gov/comp/DrugFormulary/Pages/default.aspx>



Global prescribing restrictions limit initial prescribing of Schedule II medications to a three-day supply, with exceptions.



Prohibited

LOUISIANA (<http://www.laworks.net/Homepage.asp>)



Physicians may only dispense controlled substances or medications of concern if registered as a dispensing physician and only up to a single 48-hour supply.



Compounded medication prescriptions paid utilizing same reimbursement formula as generics.



State-specific body part treatment guidelines and chronic pain treatment guidelines. http://www.laworks.net/Downloads/OWC/Bibliography_Chronic_Pain.pdf



Global prescribing restrictions limit initial prescribing of opioids for acute pain to a seven-day supply.



Employer permitted to designate pharmacy care and/or choice based upon developed case law.

MICHIGAN (<https://www.michigan.gov/wca>)



Reimbursement based on original manufacturer's NDC. Bills shall include original manufacturer or distributor stock package NDC. OTCs dispensed by provider other than pharmacy shall be dispensed in 10-day quantities and be reimbursed at AWP or \$2.50, whichever is greater with no dispensing fee.



Topical compounded medications billed using specific amount of each component drug and original manufacturer's NDC. Reimbursement shall be max of AWP minus 10% of original manufacturer's NDC prorated for each component. Components lacking NDCs are not reimbursed. Provider shall dispense a 30-day supply. Reimbursement for custom compounded medication is limited to a max of \$600 (charges exceeding this amount must be accompanied by original component manufacturer's invoice prorated for each component amount used, for review by carrier).



Global prescribing restrictions limit prescribing of opioids to treat acute pain to no more than a seven-day supply during a seven-day period.

NEW YORK (www.wcb.ny.gov)



Physician dispensed limited to 72 hours with exceptions. Repackaged medications reimbursed based on AWP of the underlying medication.



Reimbursed at ingredient level. Payment based on sum of allowable fee for each ingredient, plus a single DF per compound. Ingredients with no NDC not reimbursable.



Medications are to be prescribed in accordance with existing Non-Acute Pain Treatment guidelines. <http://www.wcb.ny.gov/content/main/hcpp/MedicalTreatmentGuidelines/2014TreatGuide.jsp>



Global prescribing restrictions limit initial opioid prescriptions for acute pain to a seven-day supply.



RX: Employer may select pharmacy provider via a PBN network. Requires establishment and registration of a PBN network utilizing a designated pharmacy network with the state Workers' Compensation Board (WCB) and notification of injured workers receiving pharmacy care under NYCRR Section 440.3.

NEW JERSEY (https://www.nj.gov/labor/wc/wc_index.html)



Physicians limited to dispensing only a seven-day supply unless 10 miles from nearest pharmacy and certain other listed exemptions are met.



Global prescribing restriction limits a prescription for opioids to no more than a five-day supply.



Potentially under existing statute.

NORTH CAROLINA (<http://www.ic.nc.gov/>)

Original manufacturer's NDC required on bills for all prescription medications and prescribed OTC medications. Repackaged NDC may not be individually used on bill. If original NDC not included, reimbursement limited to 100% of the AWP of the least expensive clinically-equivalent medication. Other than a licensed pharmacy, no outpatient health care provider may receive reimbursement for a Schedule II-V controlled substance dispensed for more than an initial five-day supply, commencing upon the employee's initial treatment following injury.



Specific workers' comp treatment guidelines related to utilization of targeted controlled substances. Impacts both acute and chronic pain with prescribing limitations and morphine equivalent dose (MED) levels. <http://www.ic.nc.gov/OpioidRulesResourcePage.html>



Global prescribing restrictions limit prescription of targeted opioids to a five-day supply.



Insurer or employer can direct care under certain specific circumstances per regulation.

OKLAHOMA (<https://www.ok.gov/wcc/>)

Physician-dispensed repackaged medications reimbursed at lesser of AWP for original labeler's NDC minus 10% or AWP of lowest cost therapeutic equivalent medication product minus 10%.



Compounded medication bills require listing each ingredient, corresponding NDC and quantity, and are reimbursed on the sum of the allowable fee for each ingredient plus a dispensing fee. Ingredients lacking an NDC are not reimbursed.



Utilizes an ODG-based workers' comp drug formulary which requires prior authorization for all "N" drugs and compounds.



Global prescribing restrictions limit prescription of initial prescription of opioids to treat acute pain to a seven-day supply.

PENNSYLVANIA (<https://www.dli.pa.gov/Businesses/Compensation/WC/Pages/default.aspx>)

Reimbursement shall be at fee schedule (FS) based on original manufacturer's NDC, which must be submitted on bill. If original NDC is not submitted, reimbursement shall be FS of the least expensive clinically-equivalent medication. Outpatient providers (other than licensed pharmacies) may not seek reimbursement for Schedule II medication in excess of an initial seven-day supply commencing on "initial treatment" for specific workers' comp claim. Should an injured worker require a "medical procedure," one additional 15-day supply permitted, commencing on date of procedure. Providers may not seek reimbursement for any other prescription medications in excess of an initial 30-day supply, commencing on "initial treatment" by a provider for specific workers' comp claim and may not seek reimbursement for an OTC medication.



Department of health adopted opioid treatment guidelines specifically for workers' compensation claims. Guidelines call for restricting initial opioids to treat acute pain for work-related injuries to a seven-day supply. However, guidelines are not codified and are non-binding on the treating physician. <https://www.health.pa.gov/topics/Documents/Opioids/Workers%20Compensation%20Guidelines%207-16-18.pdf>



Prohibited

SOUTH CAROLINA (<https://wcc.sc.gov/>)

Repackaged medications required to be billed with original manufacturer's NDC and reimbursed accordingly.



All compounded medications require prior authorization. Compounds shall be billed by listing each ingredient NDC and reimbursed at the sum of each NDC's amount with a single dispense fee of \$5. No payment required for ingredients lacking an NDC.



Global prescribing restrictions limit initial opioid prescriptions to a seven-day supply.

TENNESSEE (<https://www.tn.gov/workforce/injuries-at-work.html>)



Bills shall include NDC of original manufacturer as reimbursement is based on manufacturers AWP. Physicians should not receive a dispensing fee.



Bills must include NDC of original manufacturer stock. Compounding fee not to exceed \$25. All topicals and compounded medications require prior authorization per workers' comp drug formulary.



Utilizes ODG-based treatment guidelines and an ODG-based workers' comp drug formulary which requires prior authorization for all "N" drugs and compounded medications. <https://www.tn.gov/workforce/injuries-at-work/bureau-services/bureau-services/medical-programs-redirect/medical-treatment-guidelines.html>



Global prescribing restriction limits initial prescriptions for opioids to no more than a three-day supply and includes MME prescribing restrictions for chronic pain.



Not explicitly permitted.

TEXAS (<https://www.tdi.texas.gov/wc/index.html>)



Physician dispensing is not permitted except under certain exceptions due to population in rural areas.



All compounded medications require prior authorization per the workers' comp drug formulary. Compounds billed by listing each drug included in the compound. Reimbursed per fee schedule for each drug separately with a \$15 compounding fee per prescription.



The Division utilizes an ODG-based workers' comp drug formulary which requires **prospective review** on all "N" drugs and compounded medications. <https://www.tdi.texas.gov/wc/pharmacy/index.html#rules>



Opioid (September 1, 2019) opioid prescriptions for acute pain limited to a 10-day supply with no refills.



Prohibited



About Optum Workers' Comp and Auto No-fault Solutions

Optum Workers' Comp and Auto No-fault Solutions collaborates with clients to lower costs while improving health outcomes for the claimants we serve. Our comprehensive pharmacy, ancillary and managed care services, including settlement solutions, combine data, analytics, and extensive clinical expertise with innovative technology to ensure claimants receive safe, efficacious and cost-effective care throughout the lifecycle of a claim. For more information, email us at expectmore@optum.com.

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