ACTION: Original

DATE: 01/07/2013 4:46 PM

MEMORANDUM

TO: Tom Sico, Bureau of Workers' Compensation

FROM: Paula Steele, Regulatory Policy Advocate

DATE: January 7, 2013

RE: **CSI Review** – Outpatient medication formulary rule (OAC 4123-6-21.3)

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

The draft rule outlines the administrative process for the adoption of and revisions to the Bureau's medication formulary listed in Appendix A of the draft rules. Appendix A lists drugs permitted for reimbursement when prescribed to treat injuries allowed in a claim. Prescribers are limited to the medications and any restrictions described in the formulary. The proposed changes add coverage for four different drugs. The CSI Office reviewed a previous version of the rule and appendix in May 2012 and recommended that the Bureau devise and articulate in its next BIA how it will measure for anticipated savings and increased efficiencies.

The rule, appendix and the associated BIA were filed with the CSI Office on December 10, 2012, and the comment period for the rule closed on January 3, 2013. No comments were received during the public comment period.

The initial rule and appendix were created in 2011 by a committee of health care professionals who worked with the Bureau and developed the formulary and appendix through research and review of medical literature, utilization rates, and industry best practices. For this update, the

Bureau emailed the proposed changes to a comprehensive list of stakeholders. In addition, the CSI Office contacted the Ohio Pharmacists Association for any additional feedback; they did not report any negative comments.

Review of the proposed amendments and BIA revealed that the Bureau had not addressed the CSI recommendation in the May review. The CSI Office requested a revised BIA addressing the May recommendation. According to the updated BIA, the Bureau will measure the success of the revisions to the BWC formulary by comparing drug utilization data pre and post rule revision. The BWC pharmacy program is also monitoring data for trends to demonstrate the impact of the formulary revisions on cost and utilization. In addition, treatment delays are reduced by providing prescribers with a list a covered formulary products to treat allowed conditions. After reviewing the proposed rule, appendix, and the revised BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule justifies the adverse impact identified in the BIA.

Recommendations

For the reasons explained above this office does not have any recommendations regarding this rule.

Conclusion

Based on the above comments, the CSI Office concludes that the Bureau should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Stephen Buehrer, Administrator/CEO, Ohio Bureau of Workers' Compensation
Mark Hamlin, Lt. Governor's Office