ACTION: Original

DATE: 02/09/2015 2:22 PM

MEMORANDUM

TO: Tom Sico, Bureau of Workers' Compensation

FROM: Paula Steele, Regulatory Policy Advocate

DATE: February 6, 2015

RE: **CSI Review – Outpatient Medication Formulary** (OAC 4123-6-21.3, Appendix A)

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 amended draft rule outlines the administrative process for the adoption of and revisions to the Bureau of Workers' Compensation's medication formulary listed in Appendix A of the draft rule. 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 Outpatient Medication Formulary is reviewed and updated on a frequent basis. The CSI Office completed reviews of previous versions each year since 2012, and did not issue any recommendations for the proposed rule packages. This rule package is being reviewed subject to five-year rule review requirements prescribed in Ohio statute and was submitted to the CSI Office on December 23, 2014. The comment period closed on January 16, 2015 and one comment was received during that time.

Rule 4123-6-21.3 is being proposed with one minor amendment. Appendix A includes proposed changes that add or limit reimbursement under specified conditions and parameters for certain medications, and remove reimbursement for two products. Specific details of the changes are provided in the BIA.

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. According to the BIA, the Ohio Pharmacists Association had no objection to the proposed changes.

The public comment received, pertained to a technical medical wording suggestion which did not appear to impact business but rather pertained to the articulation of an additional condition for which the schedule II opioid drug could be reimbursable. The CSI Office followed up with the Bureau to ensure it considered the comment.

After reviewing the proposed rule, appendix, and the 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