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MEMORANDUM

TO: Aniko Nagy, Ohio Bureau of Workers' Compensation

FROM: Cory Bailey, Regulatory Policy Advocate, Lt. Governor's Office

DATE: September 9, 2015

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 (R.C.) § 107.54, CSI has reviewed the abovementioned administrative rule and associated Business Impact Analysis (BIA). This memo represents CSI's comments to the Agency as provided for in R.C. § 107.54.

Analysis

On August 4, 2015, the Ohio Bureau of Workers' Compensation (BWC) submitted an amended draft rule to the CSI Office for review. The official public comment period closed on August 27, 2015 with no comments submitted.

The BWC maintains a list, or formulary, of prescription drugs approved for reimbursement in a workers' compensation claim. The formulary is codified as an appendix in the draft rule under review. Proposed amendments include the addition of eight prescription drugs and the removal of one from the formulary. In the BIA, BWC states that formulary revisions are routinely made based on opportunities to improve the clinical impact of the formulary or changes in federal drug regulations. Since the draft rule is amended and not subject to a five-year rule review, the CSI Office evaluation is limited to the amendments only.

According to the BWC, there are no additional adverse impacts to prescribers or pharmacies resulting from the amendments. However, in a broader sense, the draft rule and amendments, through selective reimbursement, can influence what is prescribed in a workers' compensation claim, which could be considered an adverse impact. Also, adding prescription drugs to the formulary could result in additional costs that would ultimately be reflected in a workers' compensation premium, although the financial impact in this case would be minute.

While there are adverse impacts to consider when taking a general view of the draft rule, the actual impacts resulting from the proposed amendments are insignificant. Therefore, following review of the amendments, BIA, and stakeholder outreach, it has been determined that the standards espoused by the CSI Office have been met, and the amendments to the rule are justified.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

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

cc: Mark Hamlin, Lt. Governor's Office