Common Sense Initiative

Mike DeWine, *Governor*
Jim Tressel, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Eva Dixon, Ohio Bureau of Workers' Compensation

FROM: Michael Bender, Business Advocate

DATE: November 12, 2025

RE: **CSI Review – Payment for Outpatient Medication; Payment for Outpatient Medication by Self-Insuring Employer (OAC 4123-6-21 and 4123-6-21.1)**

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 Bureau as provided for in ORC 107.54.

Analysis

This rule package consists of two amended rules proposed by the Ohio Bureau of Workers' Compensation (BWC). This rule package was submitted to the CSI Office on September 25, 2025, and the public comment period was held open through October 9, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on September 25, 2025.

Ohio Administrative Code (OAC) Chapter 4123-6 implements the Health Partnership Program (HPP), which manages workers' compensation health care for injured workers employed by State Insurance Fund (SIF) employers. OAC 4123-6-21 describes how payments are made by BWC to HPP providers for outpatient medication for the treatment of a work-related injury or occupational disease in a claim allowed by BWC or the Ohio Industrial Commission (IC). The rule is amended to remove a reference to claims recognized by self-insuring employers, clarify when prescriptions from

non-BWC certified providers may be reimbursed, authorize BWC to reimburse opioid prescriptions if prescribers follow current best medical practices pursuant to OAC 4731-11-13 and 4731-11-14 as promulgated by the State Medical Board of Ohio (Medical Board), require reimbursement requests for non-sterile compounded prescriptions to be pre-authorized, add home infusion services to the drugs that may be approved by an MCO as part of a comprehensive treatment plan, allow for exceptions to the dispensing fee component when a prescription is filled in a state that requires a different minimum dispensing fee, establish a tiered dispensing fee for sterile and non-sterile compounded prescriptions based on the time necessary to compound, authorize BWC to override dispensing limitations when an emergency is declared by the governor of the state in which an injured worker is located or when it has determined medical necessity and appropriateness through the prior authorization process, and remove the requirement for pharmacy providers to include United States Drug Enforcement Agency (DEA) numbers within its bills. OAC 4123-6-21.1 describes how payments are made by self-insuring employers for outpatient medication for the treatment of a work-related injury or occupational disease in a claim allowed by BWC or the IC or recognized by a self-insuring employer. The rule is amended to reduce the maximum product cost component reimbursement for any one non-sterile compounded prescription from $400 to $100, establish a tiered dispensing fee for sterile and non-sterile compounded prescriptions based on the time necessary to compound, allow for exceptions to the dispensing fee component when a prescription is filled in a state that requires a different minimum dispensing fee, authorize BWC to override dispensing limitations when an emergency is declared by the governor of the state in which an injured worker is located, and remove the requirement for pharmacy providers to include DEA numbers within its bills.

During early stakeholder outreach, BWC emailed notice to interested parties on April 1, 2025, requesting feedback on the proposed rules through April 14, 2025. Stakeholders who were contacted included BWC's managed care organizations, BWC's Health Care Quality Assurance Advisory Committee, BWC's Medical Services Division's medical provider stakeholder list, BWC's Self-Insured Division's employer distribution list, BWC's Employer Services Division's third-party administrator distribution list, the Medical Board, the Ohio Board of Pharmacy, the Ohio Association for Justice, the Council of Smaller Enterprises, the Ohio Manufacturers' Association, the National Federation of Independent Business, and the Ohio Chamber of Commerce. A certified chiropractic sports physician who reviewed the rules stated that she had no further feedback. When the rules were submitted as part of a previous CSI filing, BWC received a comment from MyMatrixx supporting the proposed alignment of standards for self-insuring employers with SIF employers with respect to the dollar cap placed on reimbursement for compounded medications. However, MyMatrixx had concerns with a proposed change that required pharmacies to submit both a prescriber National Provider Identifier (NPI) and DEA number on their bills. Citing the DEA itself, MyMatrixx asserted that DEA numbers were not intended for use in general identification of providers in pharmacy-to-payer billing and that the NPI should suffice. BWC agreed and removed the requirement for pharmacy providers to include DEA numbers within its bills. Subsequent to the aforementioned CSI

filing, BWC decided to introduce the time-based fee structure for sterile and non-sterile compounded prescriptions. MyMatrixx and Healthesystems requested an adequate implementation period following final rule adoption to allow for acclamation to this new structure. BWC explained that it anticipates an effective date of February 1, 2026, for the rules. During the CSI public comment period, BWC received one comment from MyMatrixx in support of the February 1st effective date, the removal of the DEA number requirement in pharmacy provider bills, and the proposed alignment of the self-insuring employer rule with the SIF rule with respect to the maximum product cost component reimbursement placed on non-sterile compounded medications.

The business community impacted by the rules includes HPP providers, namely prescribers and pharmacies, as well as self-insuring employers. The adverse impacts created by the rules include the time and costs associated with maintaining enrollment or certification with BWC in the HPP, dispensing medication or paying benefits to injured workers, and submitting bills. According to BWC, the potential impact on each individual pharmacy may increase or decrease depending on the number of workers' compensation patients, prescription volume, the mix of dispensed brand and generic medications, and the maximum allowable cost list of BWC's contracted pharmacy benefits manager. BWC states that the adverse impacts to business are justified to apply sound fiscal principles in overseeing expenditures from the SIF.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that BWC should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.