ACTION: Final

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Common Sense Initiative

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Business Impact Analysis

Agency, Board, or Commission Name: Ohio Bureau of Workers' Compensation

Rule Contact Name and Contact Information:
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Regulation/Package Title (a general description of the rules' substantive content):

Outpatient medication formulary and First fill of outpatient medications

Rule Number(s): 4123-6-21.3 and 4123-6-21.6

Date of Submission for CSI Review: September 25, 2025

Public Comment Period End Date: October 9, 2025

Rule Type/Number of Rules:

New/___ rules

No Change/____ rules (FYR? ___)

Amended/__2__ rules (FYR? _No__)

Rescinded/____ rules (FYR? ___)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Reason for Submission

1. **R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.**

   Which adverse impact(s) to businesses has the agency determined the rule(s) create?

   The rule(s):

   a. ☐ **Requires a license, permit, or any other prior authorization to engage in or operate a line of business.**

   b. ☐ **Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.**

   c. ☒ **Requires specific expenditures or the report of information as a condition of compliance.**

   d. ☐ **Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.**

Regulatory Intent

2. Please briefly describe the draft regulation in plain language.
Please include the key provisions of the regulation as well as any proposed amendments.

BWC adopted Rule 4123-6-21.3 effective September 1, 2011 to establish an outpatient medication formulary. A formulary is a list of drugs approved for reimbursement when prescribed to treat conditions allowed in the claim. The formulary is maintained by BWC with input from the BWC Pharmacy and Therapeutics Committee.

The proposed changes to the Appendix to OAC 4123-6-21.3, the formulary drug list, are:

MEDICATIONS/CLASSES WITH CHANGES IN COVERAGE

- Dantrolene Sodium Cap: Reimbursement is limited to 400 MG per day.
- Tizanidine HCl Cap and Tab: Reimbursement is limited to 36 MG per day.
- Midazolam Nasal Spray Soln 5 MG/0.1 ML: May be considered for reimbursement upon submission of a prior authorization request in which all of the following are documented: frequent seizure activity that is related to allowed condition(s) in the claim and the injured worker is concurrently receiving maintenance anticonvulsant medication. Reimbursement is limited to one (1) package every 30 days.
- Add allowed condition requirement to all anticonvulsant products, excluding gabapentin and pregabalin.
- Brivaracetam: May be considered for reimbursement upon submission of a prior authorization request that reflects a minimum of a 60-day trial and documented inadequate response to at least two (2) anticonvulsants within the past 180 days and the injured worker has an allowed condition of seizure disorder.
- Clobazam: May be considered for reimbursement upon submission of a prior authorization request that reflects a minimum of a 30-day trial and documented inadequate response to at least one (1) anticonvulsant within the past 180 days and the injured worker has an allowed condition of seizure disorder.
- All benzodiazepine products:
    - For all oral benzodiazepines, excluding clobazam, after 30 days of use, may be considered for reimbursement upon submission of a prior authorization request that reflects use for an allowed condition in the claim. Reimbursement for all oral benzodiazepines is limited to one (1) product per month.
    - For psychological conditions: may be considered for reimbursement upon submission of a prior authorization that reflects a minimum of a 90-day trial and documented inadequate response to at least two (2) SSRIs and/or SNRIs within the past 180 days.
- All Opioid Immediate Release products: Reimbursement of any immediate release opioid in an opioid naïve (no opioid use in the last 108 days) injured worker is limited to seven (7) days of use.
- All muscle relaxants: After 90 days of use, may be considered for reimbursement upon submission of a prior authorization request that reflects use for an allowed condition in the claim. Prior authorization is not needed for dantrolene.

MEDICATIONS/CLASSES WITH CHANGES IN COVERAGE

- Baclofen: Reimbursement is limited to 120 MG per day.
- Platelet Aggregation Inhibitors; Anticoagulants – Coumarin Anticoagulants and Heparins and Heparinoid-Like Agents:
    - After 30 days of use, may be considered for reimbursement upon submission of a prior authorization request that reflects use for an allowed condition in the claim.
- Adalimumab products: May be considered for reimbursement upon submission of a prior authorization request that reflects a documented allergic reaction, adverse event, or an inadequate response after a minimum of a 90-day trial to adalimumab-bwwd within the past 180 days.
- Insulin Glargine products: May be considered for reimbursement upon submission of a prior authorization request that reflects a documented allergic reaction, adverse event, or an inadequate response after a minimum of a 90-day trial to insulin glargine-yfgn within the past 180 days.
- Epoetin Alfa Inj 40000 Unit/ML: May be considered for reimbursement upon submission of a prior authorization request that reflects a documented allergic reaction, adverse event, or an inadequate response after a minimum of a 14-day trial to epoetin alfa-epbx within the past 120 days.
- Pegfilgrastim products: May be considered for reimbursement upon submission of a prior authorization request that reflects a documented allergic reaction, adverse event, or an inadequate response after a minimum of a 14-day trial to pegfilgrastim-jmdb within the past 120 days.

MEDICATIONS TO BE ADDED TO THE FORMULARY

- Esomeprazole Magnesium Cap Delayed Release 20 MG
- Esomeprazole Magnesium Cap Delayed Release 40 MG
- Adalimumab-bwwd Soln Auto-Injector 40 MG/0.4ML; 40 MG/0.8ML
- Adalimumab-bwwd Soln Prefilled Syringe 40 MG/0.4ML; 40 MG/0.8ML
- Epoetin Alfa-epbx Inj 40000 Unit/ML; 2000 Unit/ML; 3000 Unit/ML; 4000 Unit/ML; 10000 Unit/ML; 20000 Unit/ML
- May be considered for reimbursement upon submission of a prior authorization request that reflects a minimum of a 60-day trial and documented inadequate response to at least two (2) anticonvulsants within the past 180 days and the injured worker has an allowed condition of seizure disorder:
    - Cenobamate Tab 25, 50, 100, 150, 200 MG
    - Cenobamate Tab Pack 100 MG & 150 MG Tabs (250 MG Daily Dose)
    - Cenobamate Tab Pack 150 MG & 200 MG Tabs (350 MG Daily Dose)
    - Cenobamate Tab Titration Pack 14 x 12.5 MG & 14 x 25 MG
    - Cenobamate Tab Titration Pack 14 x 50 MG & 14 x 100 MG
    - Cenobamate Tab Titration Pack 14 x 150 MG & 14 x 200 MG
- Insulin Glargine-yfgn Inj 100 Unit/ML; Soln Pen-Injector 100 Unit/ML
- Pegfilgrastim-jmdb Soln Prefilled Syringe 6 MG/0.6ML
- Suzetrigine Tab 50 MG: Will not be reimbursed for more than 30 tablets without prior authorization. Prior authorization will only be considered for a period of acute care.

MEDICATIONS TO BE REMOVED FROM THE FORMULARY

- Sodium Polystyrene Sulfonate Oral Susp 15 GM/60ML
- Midazolam HCl Inj 5 MG/ML (Base Equivalent)
- Zoster Vaccine Live for Subcutaneous Susp 19400 Unit/0.65ML
- Glycopyrrolate Inhal Solution 25 MCG/ML
- Indacaterol Maleate Inhal Powder Cap 75 MCG (Base Equiv)
- Indacaterol-Glycopyrrolate Inhal Cap 27.5-15.6 MCG

BWC adopted rule OAC 4123-6-21.6 effective February 1, 2015 governing reimbursement for the first fill of prescription medications prior to the initial determination order of a claim.

The proposed changes to the Appendix to OAC 4123-6-21.6, the first fill formulary drug list, are:

MEDICATIONS TO BE ADDED TO THE FORMULARY

- Naloxone HCl Nasal Spray 4 MG/0.1ML (Qty 2 units)
- Carbamazepine Tab 200 MG (Qty 60 units)
- Divalproex Sodium Tab Delayed Release 125 MG, 250 MG, 500 MG (Qty 60 units)
- Lamotrigine Tab 25 MG (Qty 60 units)
- Levetiracetam Tab 250 MG, 500 MG (Qty 60 units)
- Oxcarbazepine Tab 150 MG, 300 MG (Qty 60 units)
- Suzetrigine Tab 50 MG (Qty 30 units)
- Topiramate Tab 25 MG, 50 MG (Qty 60 units)

3. **Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.**

Authorize: 4121.12, 4121.121, 4121.30, 4121.31, 4121.44, 4121.441, 4123.05, 4123.34, 4123.66

Amplify: 4121.12, 4121.121, 4121.44, 4121.441, 4123.66

4. **Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**
If yes, please briefly explain the source and substance of the federal requirement.

No.

5. **If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

Not Applicable.

6. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The purpose of Rule 4123-6-21.3 is to improve the efficiency of treatment for injured workers by providing prescribers with a concise list of medications that can be utilized for treatment of approved conditions related to the claim. The formulary also provides the prescriber with information regarding any restrictions or limitations to the use of an approved medication. Likewise, the prescriber will know that if a medication is not listed in the formulary, then it will not be reimbursed for treatment of any conditions in a claim. The use of a formulary enhances medication safety by allowing time for BWC's Pharmacy and Therapeutics Committee to conduct a thorough review of the clinical merits of new medications before they are approved for use. It also provides a process by which BWC may remove or limit the inappropriate utilization of medications in keeping with FDA recommendations as well as current clinical literature and best medical practices.

The purpose of OAC 4123-6-21.6 to implement R.C. 4123.66(B), which allows the BWC Administrator to adopt rules specifying the circumstances under which BWC will reimburse for the first fill of prescription drugs for medical conditions identified in an application for workers' compensation or benefits prior to the date BWC issues an initial claim determination order.

7. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

Per rule OAC 4123-6-21.2, BWC's Pharmacy and Therapeutics Committee is charged with making recommendations to BWC regarding the creation and ongoing management of the BWC drug formulary. The committee fulfills this charge through routine monitoring of prescription data from our pharmacy benefit manager, reviews of current clinical literature, and current best practice guidelines.

8. **Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**
If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No.

Development of the Regulation

9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.
If applicable, please include the date and medium by which the stakeholders were initially contacted.

BWC emailed proposed revisions to rules OAC 4123-6-21.3 and OAC 4123-6-21.6 to stakeholders on September 3, 2025, with comments due back by September 17, 2025. The summarized stakeholder responses received by BWC are on the Stakeholder Feedback Summary Spreadsheet.

BWC emailed notice to the following list of stakeholders:

- BWC's Managed Care Organizations
- BWC's internal medical provider stakeholder list - 68 persons representing 56 medical provider associations/groups
- BWC's Healthcare Quality Assurance Advisory Committee
- Ohio Association for Justice
- Employer Organizations
    - Council of Smaller Enterprises (COSE)
    - Ohio Manufacturers' Association (OMA)
    - National Federation of Independent Business (NFIB)
    - Ohio Chamber of Commerce
- BWC's Self-Insured Division's employer distribution list
- BWC's Employer Services Division's Third-Party Administrator (TPA) distribution list
- Ohio Medical and Pharmacy Boards

10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

See the attached stakeholder feedback grid.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

The proposed revisions to rule 4123-6-21.3 and 4123-6-21.6 were based on recommendations accepted by the BWC Pharmacy and Therapeutics Committee. The committee reviews data from clinical trials, published studies, and relevant guidelines regarding medications prior to making recommendations.

12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives? ***Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to comply.***

The rule applies specifically to prescription coverage for Ohio injured workers. BWC is the only state agency charged with this statutory responsibility. Performance-based regulations are not applicable to drug formulary management.

13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

This rule only affects injured workers receiving prescription benefits from BWC. No other state agency has adopted regulations regarding what drugs are reimbursed by BWC.

14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

Once the rule is approved and through the JCARR process, BWC staff impacted by the rule will be informed of the effective date. Providers caring for injured workers will be notified of the key points contained in the rule by email, fax, or direct mail. They will also be provided with a link to find a complete copy of the rule.

BWC's Medical Services Division will ensure that relevant sections of the MCO Policy Reference Guide and the Provider Billing and Reimbursement Manual are updated to reflect appropriate rule modifications.

Adverse Impact to Business

15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:

a. Identify the scope of the impacted business community, and

The prescriber and pharmacy business communities are involved with the prescribing and dispensing of medications. The impacted segments of those communities are the BWC enrolled or certified providers who prescribe and dispense medication to injured workers.

b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.

There will not be an adverse impact on either of the two business communities identified in that both prescribers and pharmacies currently prescribe and dispense prescriptions based on the BWC formulary. These revisions do not change the process of prescribing or dispensing, nor do they make any changes to reimbursement for those activities.

There should be no negative financial impact on the prescriber community as any necessary changes to the injured worker's drug regimen should be done in the context of routine office visits. Any prescriptions that result from the changes in the drug regimen would continue to be processed by a pharmacy.

However, the proposed formulary rule requires that clinical documentation and evidence of medical necessity be provided to the BWC for short term reimbursement of new drugs or new dosage forms or strengths of existing drugs approved for use in the United States by the FDA on or after the effective date of the rule.

Also, under the first fill rule prescribers have to indicate the first fill prescription is for a work-related injury for payment of first fill medications.

16. Are there any proposed changes to the rules that will <u>reduce</u> a regulatory burden imposed on the business community? Please identify. *(Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors).*

No.

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

Rule 4123-6-21.2 charges the BWC Pharmacy and Therapeutics Committee to conduct regular reviews of the drug formulary and to make recommendations to the Administrator directed at improving overall efficiency and effectiveness of drug utilization. These changes to drug coverage result from that activity. Formulary revisions are routinely made based on opportunities to improve the clinical impact of the formulary, pricing, or incorporate changes in federal drug regulations.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No. All prescribers are required to utilize formulary medications if BWC is to reimburse for those prescriptions.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

Not Applicable.

20. What resources are available to assist small businesses with compliance of the regulation?

Prescribers may access the BWC website for a complete list of formulary medications and any restrictions to those drugs. The BWC Pharmacy Department also maintains an email address (pharmacy.benefits@bwc.ohio.gov) that prescribers can use to ask questions about drug coverage.