

# Compliance and Regulations Newsletter

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### CALIFORNIA

#### ***Proposed Drug Formulary (July 1<sup>st</sup> Deadline)***

The California Division of Workers' Compensation is committed to meeting a July 1<sup>st</sup> deadline for implementing a prescription drug formulary, but some say meeting this goal may be impossible.

The proposed formulary has restrictions but they are balanced by flexibility built into the rules. The proposed rule does not establish a deadline for physicians to transition workers onto included drugs. However; the formulary would apply to all prescriptions written on or after July 1<sup>st</sup>, but allows a phase-in implementation for workers injured prior to July 1<sup>st</sup> to protect them from abrupt changes in termination of medication.

Rules would require the physician to request medically appropriate treatment that "may include use of a non-preferred drug or unlisted drug for an extended period where that is necessary for the injured worker's condition or necessary for safe weaning, tapering or transition to a preferred drug," as stated in the proposed text.

Formulary rules would require prospective review before doctors are authorized to dispense compound drugs. The rules would also require a physician to document the medical necessity when requesting authorization for compounds. It is unclear the consequences DWC may face if the July 1<sup>st</sup> deadline isn't met.

Payers, bill review services, utilization review organizations, prescribing providers, pharmacy benefit managers, and pharmacies will also need to meet this deadline for implementing new procedures

The DWC will accept written comments on the proposed rules until May 1<sup>st</sup>. A public hearing will also be held on May 1<sup>st</sup>.

The proposed rules, drug list and statement of reasons can be found [here](#).

[Source](#)

## FLORIDA

### ***Public Hearing Will Focus on Updates to Health Care Manuals***

The Florida Department of Financial Services, Division of Workers' Compensation announced a public meeting of the Three-Member Panel on April 19, 2017, to review and adopt the 2016 editions of the Health Care Provider Reimbursement Manual, Hospital Reimbursement Manual, and the Ambulatory Surgical Center Reimbursement Manual.

The proposed rule is amended to adopt the 2016 Edition of the Florida Workers' Compensation Reimbursement Manual for Hospitals. The 2016 Edition of the Manual increases the per diem reimbursement rates for hospital inpatient services and the threshold for Stop-Loss reimbursement above allowances specified in the 2014 Edition of the Manual.

The proposed rules would increase the stop-loss reimbursement threshold from \$59,891.34 to \$65,587.00; per diem rates for trauma centers from \$3,850.33 to \$4,216.00 for surgical stays and from \$2,313.69 to \$2,534.00 for non-surgical stays; and the per diem rates at acute care hospitals from \$3,849.16 to \$4,215.00 for surgical stays and from \$2,283.40 to \$2,501.00 for non-surgical stays.

The 2016 Edition also provides an updated fee schedule for hospital outpatient services based on the Current Procedural Terminology (CPT) line level charge data with an adjustment of the Maximum Reimbursement Allowance (MRA) based on the geographic location of the service provider.

The proposed rule amends the existing rule to adopt the 2016 Edition of the Florida Workers' Compensation Health Care Provider Reimbursement Manual. The Manual incorporates the 2016 Medicare Conversion Factor and Resource Based Relative Value Scale (RBRVS) geographic-specific reimbursement levels used to determine Maximum Reimbursement Allowances (MRAs) for physician's services and non-surgical hospital outpatient services provided to Florida's injured workers.

The changes are expected to increase costs by \$80 million, or 2.2%, according to an analysis by the National Council on Compensation Insurance.

[Source](#)

## KANSAS

### ***Employee Provider Choice and Accident Prevention Program Bills Introduced***

Two bills have been introduced in the Kansas General Assembly that would benefit employees. **HB 2342** would allow injured workers to choose their own health care providers. The bill would change the language of the current law from "it shall be the duty of the employer to provide the services of a health care provider" to "it shall be the duty of the employer to pay for the services of a health care provider designated by the injured worker." This bill was introduced on February 9, 2017, and referred to the Committee on Taxation the same day.

**HB 2328**, also introduced on February 9, 2017, would require workers' compensation insurers providing workers' compensation insurance in Kansas to provide accident prevention programs to employers it covers as a prerequisite for authority to provide such insurance coverage. Self-insured employers would also be required to provide and maintain such accident prevention programs. Accident prevention programs are currently optional and provided upon request only.

The program will furnish accident prevention services required by the nature of the business of its covered entities and will include services such as surveys, training programs, and accident causes analyses. Program staff will consist of field safety representatives which will include, but not limited to, a college graduate with a bachelor's degree in science, industrial hygiene, safety or loss control, or engineering; a certified safety professional who has attained designation from the board of certified safety professionals; an individual with five years of experience in occupational safety and health; or a person who has attained the designation of associate in loss control management or associate in risk management from the insurance institute of America.

The insurance company or self-insured employer may employ qualified personnel, contract with the policyholder qualified accident prevention personnel and services, or use a combination. Accident prevention personnel will have the same qualifications required for field safety representatives.

Each insurance company or self-insured employer providing workers compensation insurance in Kansas will submit detailed information about the type of accident prevention programs offered to the director of workers' compensation at least once a year. If accident prevention services are not provided and maintained, penalties up to \$2,000.00 will be assessed.

[Source 1](#)

[Source 2](#)

## LOUISIANA

### ***Proposed Revisions to Medical Treatment Guidelines***

The Louisiana Workforce Commission held a public hearing on March 31<sup>st</sup> to discuss proposed amendments to its medical treatment guidelines.

The amendments would affect Louisiana Administrative Code, Title 40, Labor and Employment, Part 1, Workers' Compensation Administration, Subpart 2, Medical Guidelines, Chapters 23 and 27, regarding implementation of medical treatment guidelines.

Proposed revisions include a requirement that the carrier or self-insured employer must respond within five business days to a health care provider's request for authorization. Failure to act within five business days would result in administrative penalties for three or more violations within a six-month period. Subsequent violations would result in penalties for each violation.

The proposed rule also states a carrier or self-insurer must not delay a request for authorization because of the lack of a return phone call from the health care provider.

[Source](#)