

Subject: California Drug Formulary Revised Regulations

The California Department of Industrial Relations' Division of Workers' Compensation (DWC) has proposed modified drug formulary regulations, effective January 1, 2018. The highlights of the Medical Treatment Utilization Schedule (MTUS) Drug Formulary modifications are below:

- A drug dispensed on or after 1/1/18 for outpatient use shall be subject to the MTUS Drug Formulary, regardless of the date of injury. For injuries prior to 1/1/18, the Drug Formulary should be phased in with the prescriber being responsible for setting a safe course of treatment including a process for safe weaning and including a progress report.
- Compound drugs must be authorized prospectively prior to being dispensed.
- A "combination drug," defined as "a fixed dose combination of two or more active drug ingredients into a single dosage form that is FDA-approved for marketing," shall be designated as an "unlisted" drug notwithstanding the ingredients that make up the combination drug, unless the combination drug is specifically included on the MTUS Drug List.
- Drug designations of "Preferred/Non-Preferred" will be changed to "Exempt/Non-Exempt," respectively.
- Unlisted drugs or those identified as "Non-Exempt" require prospective review authorization, which must be obtained prior to the time the drug is dispensed.
- The MTUS Drug Formulary does not apply to drugs administered to the patient by a physician. However, the physician administered drug treatment is subject to relevant provisions of the MTUS, including the MTUS Treatment Guidelines.
- A physician may dispense one or more medications to an injured worker only if all of the following conditions are met: (1) the drug(s) to be prescribed/dispensed are in compliance with MTUS Treatment Guidelines; (2) the drug(s) to be prescribed/dispensed are designated as "Exempt" within the MTUS Drug List; (3) the drug(s) to be prescribed/dispensed are restricted to a 7-day supply; and, (4) dispensing of the drug(s) must occur within 7 days of the date of injury.
- The revised proposed rules provide clarification on dispute resolution procedures.
- Drug list updates will occur between the Director and Committee as needed, with adoptions occurring on a quarterly or more frequent basis if required. Updates will specify an effective date with changes and shall be posted on the division's website.
- The revised proposed rules delete provisions that will be addressed in the utilization review regulations, rather than including them within the formulary regulations.

A 15-day public comment period allowing members of the public to submit comments will end at 5 p.m. on August 2, 2017. Submit comments by email to DWCRules@dir.ca.gov. The DWC will consider all public comments, and may modify the proposed regulations for consideration during an additional 15-day public comment period.

Coventry is engaged with the state of California and will be submitting formal comments in advance of the August 2, 2017 deadline. To review the complete text of the proposed regulations, please visit:

<http://www.dir.ca.gov/dwc/DWCPropRegs/MTUS-Formulary/MTUS-Formulary.htm>

For further information regarding this message, please contact your Account Manager.

