



March 6, 2026

By email to: MRO@azica.gov
Ms. Keta Coker, MRO Specialist
Medical Resource Office
PO Box 19070 Phoenix, AZ 85005

RE: 2026/2027 Physicians' and Pharmaceutical Fee Schedule Proposal

Dear Ms. Coker,

Thank you for the opportunity to comment on the Industrial Commission of Arizona's proposed updates to the Physicians' and Pharmaceutical Fee Schedule. We appreciate the Commission's continued efforts to promote high quality, cost-effective care within the workers' compensation system. We understand the intent behind encouraging lower cost medication sourcing, and have some concerns and comments regarding the newly proposed language in the Pharmaceutical Fee Schedule General Provisions.

The proposed requirement that "*whenever, possible, pharmacies should seek to procure the medication with the lowest AWP*" presents significant concerns and challenges for all stakeholders involved in pharmacy care, including the pharmacist, the claims professional, bill review entities and pharmacy benefit managers because the proposal does not establish a clear or measurable standard for compliance or enforcement.

Claim professionals, medical bill review agents and PBMs do not have visibility into a pharmacy's acquisition channels or real-time purchasing options, making it impractical to determine when a lower-AWP product was available or an adequate "attempt" was made to procure it. Similarly, pharmacies may face challenges documenting their procurement efforts in a consistent and auditable manner, particularly in situations involving supply constraints, distributor limitations, or time-sensitive dispensing requirements.

Because the provision relies on a subjective "attempt" standard which lacks definition; rather than objective and transparent criteria, this creates ambiguity that cannot be reliably operationalized or enforced. This lack of clarity mitigates the value of adopting such language in the fee schedule, increases the likelihood of billing disputes due to inconsistent interpretation, and increases the administrative burden on all stakeholders, without providing a clear mechanism to advance the Commission's cost-containment goals.

Healthsystems recommends the Commission consider removing this provision until approaches that provide clear, objective guidance related to pharmacy purchasing practices, without introducing new operational or compliance challenges can be explored.

We appreciate the Commission's engagement and welcome the opportunity to address any questions or provide further clarification.

Sincerely,

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