

August 22, 2018

Jacqueline Kurth, Manager
Medical Resource Office
800 West Washington Street
Phoenix, AZ 85007

Dear Ms. Kurth/Industrial Commission of Arizona:

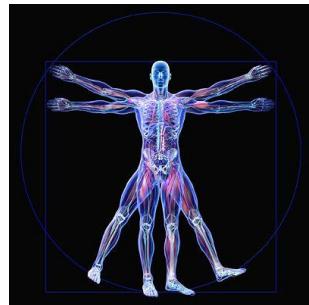
By way of introduction, my name is Sanjay R. Patel, M.D. I am currently board-certified in physical medicine and rehabilitation and board-certified in brain injury medicine. I have been practicing in Arizona since 2008.

I thank you for allowing me to comment, regarding the White Paper, authored by the Public Consulting Group for the ICA on July 11, 2018. Please note, my practice is devoted to the care and well being of industrially injured patients. To that end, I would like to make the comments below and provide my perspective as a treating physician.

In review of this paper, there is significant misinformation and assumptions that are not based on rules and regulations that the Arizona Industrial Commission has adopted along with recent legislative changes that have also been implemented in the state of Arizona. This paper was provided to villainize physicians and convey inaccurate and disturbing information about physician-dispensing in Workers' Compensation. This study primarily cited evidence from 2007 to 2011 in Illinois, Georgia, Maryland, and Louisiana.

The study cites repackaging as a major contributor to increasing costs of medications. Several years ago, the Industrial Commission of Arizona adopted regulations that medications were to be reimbursed based on the Medispan and the original manufacturer's AWP. This was done to provide pharmacies the same level of reimbursement that physicians were receiving, thus eliminating various pricing discrepancies that were occurring via repackaging.

In addition, contrary to what the study cites, physician dispensing in Arizona does have significant and rigorous formulary enforcement. Physicians are required to obtain dispensing licenses from the Arizona Medical Board. They are also required to utilize the same standards for reporting as traditional and/or mail-order pharmacies. All medications, which are paid by the industrial carrier, are tracked through their data bases for reimbursement and for cost analysis. So, to argue that physician dispensing bypasses much of the regulation and reporting is simply not true. An industrial carrier in Arizona has the right to replace a brand-named medication with generics in Arizona.



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- Supportive Care
- Trigger Point Therapy

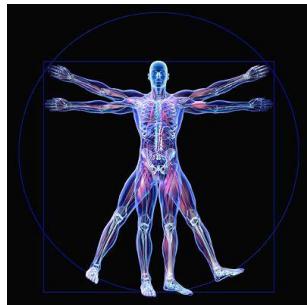
· Selective Pain Management
Electromyography/
Nerve Conduction Studies (EMGs)

· Independent Medical Evaluations

- Second Opinions
- Interventional Pain Management Procedures

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Please note, while there is a comment about the public health impacts of physician-dispensing regarding lack of communication between electronic medical records, the same standard occurs in the pharmaceutical world. Often, one pharmaceutical company does not communicate (or have systems in place to communicate) with the software of a different pharmaceutical company. This is an infrastructure issue. Physicians utilize electronic medical records which analyze drug-to-drug interactions and can be discussed directly with the patient as the physician sees the patient; therefore, changes can be made quickly and efficiently.

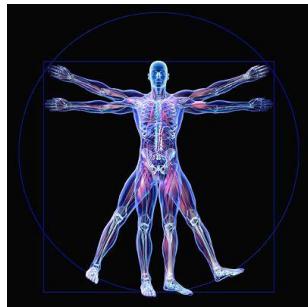
Another area addressed the opioid epidemic and how doctor's dispensing programs are contributing to this. The opioid epidemic or crisis is not a valid argument in the State of Arizona. This was a crisis throughout healthcare and throughout the country. Policy change has been implemented both at the national and local level to address this crisis. Furthermore, physicians are not allowed to dispense schedule 2 opiates from the office. To imply that physician-dispensing is responsible for opioid use and the opioid epidemic is not true.

All medications including opiates are highly regulated in the Arizona work comp system. Arizona has adopted Occupational Disability Guidelines for the management of Workers' Compensation Injuries. Please note, these guidelines have formularies with yes/no as well as costs per medications. In addition, the Independent Medical Evaluation System, utilization review, and pharmacy benefits review, are all performed regularly as additional measures to make certain treatment and medications are appropriate and following established guidelines.

With reference to drug monitoring programs, please note, physicians are currently required in Arizona to utilize the (CSPMP) prescription monitoring program. Arizona also mandates that doctors are to review the CSPMP prior to prescribing and/or dispensing medications. In addition, physicians are required to report any scheduled medications that are physician-dispensed to the Arizona Board of Pharmacy.

In summary, please note the analysis provided by the White Paper and presented to the Industrial Commission of Arizona is significantly skewed and does not accurately reflect the environment in 2018. Today, in Arizona, due to the legislative changes that have occurred over the past few years and the adoption of the Occupational Disability Guidelines, the medical community has numerous ways by which to regulate and review medication dispensing. It is my hope that the Industrial Commission will analyze what is currently occurring in Arizona in terms of regulations and the numerous controls the industrial carriers have, both in terms of treatment and medication use and utilization. It is unfortunate that the White Paper villainizes physicians while

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focusing on containment, reporting, and the opioid epidemic. Cost-shifting from pharmacies to P.B.M.s and current guidelines for the State of Arizona are not taken into consideration, nor is mention made of all the current regulations and cross-checks that physicians currently adhere to.

I would like to thank the Industrial Commission, as always, for providing an open forum to discuss issues. As always, the goal of treatment is to provide quality, cost-effective care for the injured worker and to adequately cure or relieve the effects of the industrial injury. This goal benefits all stakeholders.

Sincerely,



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