

Dear Commissioner Schultz:

The Professional Fire Fighters Association (PFFA) would first like to thank the Industrial Commission of Arizona (ICA) for the opportunity to address the proposed pharmacy fee schedule and appreciate the Commission's commitment to Arizona firefighters. We ask that the ICA consider our comments and keep in mind the health and wellbeing of our first responders, their families, and allies when finalizing any proposal.

Our organization is proud to be a voice for thousands of Arizona firefighters who risk their lives for their communities' day in and day out. As you may know, firefighters have a greater chance of becoming ill due to the unavoidable hazards of their occupation. As such, we believe our first responders should have a say in where and how they receive their medications and treatment.

The current fee schedule proposal from the ICA could significantly restrict firefighter's choice of pharmacy by restricting specialized pharmacies that successfully navigated the complexities and inherent administrative burdens of the workers' comp system for years.

The drastic change in pricing models from AWP to NADAC, even with the multiplier and additional dispensing fee, is excessive and unnecessary. Many National Drug Codes (NDCs) continue to remain unavailable under NADAC, which could cause interruptions or delays in service. AWP model pricing continues to be the nationally recognized standard that is familiar and reliable to all workers' compensation stakeholders. Any shift from AWP to NADAC pricing will drive pharmacies out of the market and inevitably leave firefighters with fewer options further jeopardizing their ability to receive quality and timely prescription care.

It seems you are attempting to regulate in search of a problem since overall medical spending and pharmacy costs are not out of line, regionally or nationally. According to the most recent National Council on Compensation Insurance (NCCI) data, drug expenditures in Arizona are only a one percent higher from the national average and just two percent from the regional average. Of the top ten prescriptions by the amount paid and most prescribed, the state spent less than the nationwide averages for most of these drugs. Not to mention the most recent report (2017 data) doesn't take into account substantive regulatory changes to the workers' compensation system in Arizona that undoubtedly had an impact on overall costs.

Overall, Arizona pays less than the rest of the country for the majority of medical costs. Both physician and hospital outpatient spending are lower than regional and national averages. While DMEPOS, and ambulatory surgical center payouts fall below national averages as well, demonstrating that the state successfully controls costs.