

PHARMACEUTICALS

- 1) Effective March 1, 2005, the Commission adopted a pharmaceutical fee schedule which states that whenever generic drugs are available, only generic drugs will be dispensed to workers' compensation claimants. In requiring generic drugs, we are talking about drugs that have the same active ingredients and the same bio-equivalency as noted in the Federal Drug Administration's Orange Book.

As to pharmacy reimbursements, if a physician insists on a brand name drug and the generic drug is not listed as a bio-equivalent drug in the Orange Book, then the pharmacist can fill and dispense as written (DAW) prescription and expect reimbursement by the insurance carrier or self/insured employer. If, on the other hand, the brand name drug has a generic equivalent found in the Orange Book, then the pharmacist will only be reimbursed for the generic drug. The only exception to this would be the circumstance where there is a specific medical problem with taking the generic drug, such as an allergy to the binding substance in the generic drug. In those limited cases, the pharmacist would fill the DAW and expect reimbursement from the insurance carrier/self-insured employer.

- 2) Additionally, as another aspect of the Commission's efforts to reduce costs, the ICA is asking the medical community to voluntarily prescribe less costly drugs whenever possible.
- 3) The discounts on the wholesale prices of prescription drugs are as follows: 15% discount from the average wholesale price for generic drugs and 5% discount from the average wholesale price for brand name drugs. Additionally, we are establishing a \$7 dispensing fee.