

## PHARMACEUTICALS

1. The Pharmaceutical Fee Schedule applies to prescription medicines required to treat an injured employee, whether the medicine is dispensed by a pharmacy or dispensed by a physician. Medicines dispensed by either a pharmacy or physician are subject to this Fee Schedule.
2. Generic drugs shall be dispensed to workers' compensation claimants when they are available. For purposes of this Fee Schedule, generic drugs are drugs that have the same active ingredients and the same bio-equivalency as noted in the Federal Drug Administration's Orange Book.
3. If a physician prescribes a brand name drug and the generic drug is not listed as a bio-equivalent drug in the Orange Book, then the prescription can be filled as "dispense as written" ("DAW"). In this instance, reimbursement shall be made by the insurance carrier or self/insured employer for the brand name drug dispensed. If, on the other hand, the brand name drug has a generic equivalent found in the Orange Book, then reimbursement shall be based upon the generic drug, unless 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 prescription may be filled DAW and reimbursement shall be made by the insurance carrier/self-insured employer for the brand name drug dispensed.
4. As another cost reducing measure, the Commission is asking the medical community to voluntarily prescribe less costly drugs whenever possible.
5. Whether dispensed by a pharmacy or dispensed by a physician, the dispensing fee per prescription shall be seven dollars (\$7.00).
6. Reimbursement for prescription drugs shall be based on a discount from "average wholesale price" as follows:
  - a. Generic drugs: 15% discount from the average wholesale price.
  - b. Brand name drugs: 5% discount from the average wholesale price.
  - c. For purposes of this pharmaceutical fee schedule, "average wholesale price" is the average wholesale price (AWP) established by a wholesaler that sells that brand name or generic drug to a pharmacy. For a repackaged or compounded drug, this would be the AWP of the underlying drug product used in the repackaging or compounding. If information pertaining to the original labeler of the underlying drug product is not provided or unknown, then discretion is vested in the payer to select the AWP to use (as published in Red Book, MediSpan, or other similar publication) when making payment for the repackaged or compounded drug.