Workers' Comp

Industrial Commission of Arizona Releases Revised Draft Fee Schedule Proposal

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Following up on comments received at their June 25, 2020, hearing, the Industrial Commission of Arizona released a revised version of their draft fee schedule proposal for 2020/2021. Of particular note were changes in the Pharmaceutical Fee Schedule section.

The Commission revised the definitions for “pharmacy accessible to the general public” and “pharmacy not accessible to the general public.”

- **Pharmacy accessible to the general public** would be defined as “a pharmacy that is readily accessible and provides pharmaceutical services (including prescription medication services) to all segments of the general public without restricting services to a defined or exclusive group of consumers, **including but not limited to consumers** who have access to services because they are treated by or have an affiliation with a specific entity or medical practitioner.”
- **Pharmacy not accessible to the general public** would be defined as “a pharmacy that provides **pharmaceutical** services **(including prescription medication services)** only to a defined or exclusive group of consumers, **including but not limited to consumers** who have access to ~~**pharmaceutical**~~ services ~~**(including prescription medication services)**~~ because they are treated by or have an affiliation with a specific entity or medical practitioner. ‘Pharmacy not accessible to the general public' does not include a hospital pharmacy.”

The changes tighten the description of a pharmacy not accessible to the general public. This is important because the Commission also added language in Section VII (A) that would limit pharmacy services from these entities to a one-time, ten-day fill in the first seven days following the date of injury.

Another significant change was the addition of a new Section VII (D). This new section would allow pharmacies not accessible to the general public to provide prescription care to injured workers beyond the initial fill for

contested cases if specific conditions are met. The conditions are detailed in the draft proposal.

We applaud the Commission for the further clarification in the definitions and for limiting services from the pharmacies not accessible to the general public on accepted claims. These pharmacies are often significant cost drivers in the workers' compensation system and can divert millions of dollars of prescription transactions away from local pharmacies.

A public hearing on the revised proposal has been scheduled for August 17, 2020, at 1:00pm PDT. The notice of hearing can be found here.

The supplemental draft staff proposal can be found here.

Should you have questions or require additional information about this alert, please contact Brian Allen, vice president of government affairs at Brian.Allen@mitchell.com or at 801.903.5754.

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