Workers' Comp

Nebraska Legislature Studies Workers' Comp Drug Formulary

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On November 27, 2018, the Nebraska Senate Business and Labor Committee heard testimony on the benefits and policy considerations around adopting and implementing a drug formulary for providing pharmacy care to injured workers. The hearing was part of a study mandated earlier in the year by LR383. Invited presenters included Brian Allen, Vice President of Government Affairs from Mitchell International, Ken Eichler from MCG, and Lucy Shannon from the Reed Group. Also presenting was Bob Hallstrom from the Nebraska Bankers Association.

Brian Allen presented on the various forms a formulary can take, what has happened in other states with their drug formularies, the process that should be followed and the policy considerations when developing a formulary. Allen cited results from Texas, Washington, Ohio, and early results from Tennessee and California.

Ken Eichler discussed how the ODG formulary was developed and the medical evidence collected to support the treatment guidelines and the drug formulary. Lucy Shannon shared how ACOEM developed their formulary, the medical evidence used and how their guidelines and formularies have been used in other states. Bob Hallstrom spoke about the concern employers have about unnecessarily prolonged cases of disability and lost productivity when workers do not receive proper care or become dependent or addicted to opioids.

The Nebraska Medical Association spoke in opposition to the adoption of a drug formulary, citing recent changes to their prescription drug monitoring program and opioid prescribing guidelines as sufficient tools to achieve the same end as a drug formulary.

The Senators on the committee asked a number of questions related to the cost of implementing and maintaining a drug formulary, how the formulary impacts claim costs and duration and how entities keep up with changing medical evidence, new drugs and new knowledge on existing drugs. The presenters provided feedback on those questions.

Nebraska, like other states, continues to explore ways to deliver better and more efficacious care to injured workers. Additionally, they are looking to help reduce opioid addiction and overdose deaths, particularly as they relate to injured workers. No position or action was taken by the committee, but legislation regarding a drug formulary will likely be introduced for consideration during the 2019 General Session of the Nebraska Legislature. Mitchell appreciates the opportunity to share what we have learned about state-mandated drug formularies and will remain engaged as this issue moves forward.

If you have questions, please contact Brian Allen, VP of Government Affairs, at brian.allen@mitchell.com.



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