Workers' Comp

Overview of California Closed Formulary Draft Rules

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DOWNERS GROVE, Ill. (April 10, 2017) - The following California Closed Formulary information is based the current draft rules proposed by the State of California, which are presently in the State's comment period. California has set a deadline of May 1, 2017 for submission of comments, and will hold a public hearing on that date for additional oral comments. It is the intent of the Division of Workers' Compensation to review comments, potentially make changes, repost modified draft rules and start a second comment period. No dates have been posted for a second comment period; however, by law, the formulary must be implemented on July 1, 2017.

The information provided below is an overview of the proposed rules and subject to change based on further changes to the rules by the State of California.

Key Points:

- Drugs prescribed for work comp injuries/illnesses are now defined by the State of California as Medical Treatment; thereby, subject to the California Medical Treatment Utilization Schedule (MTUS) , also known as the California Treatment Guidelines.
- Drugs dispensed for outpatient work comp injuries/illnesses on of after July 1, 2017 will be subject to the drug formulary, for those injured workers with a date of injury after July 1, 2017.
- For injuries prior to the July 1, 2017 formulary start date, the formulary should be "phased" in so no harm is caused by an abrupt change to the course of treatment. No definite date has been set forth by which all injured workers must adhere to the formulary.
- Drugs will be classified in the formulary as Preferred and Non-Preferred, with Preferred drugs not requiring prospective authorization as long as the drug is prescribed in accordance with the MTUS Treatment Guidelines
- Non-Preferred drugs require prospective authorization

- If prospective authorization is not obtained for non-preferred drugs a retrospective review must be conducted prior to denial
- All compounds require prospective authorization, if not obtained the prescription may be denied
- “Unlisted” drugs, which are not in the formulary, but are FDA approved may be used and require prospective authorization
- Preferred drugs that do not require prospective authorization may be retrospectively reviewed
- Drugs dispensed by a physician require prospective authorization with exception to “Special” or “Perioperative” fills. If prospective authorization is not obtained a retrospective review can be completed
- “Special” or “Perioperative” may be dispensed without prospective authorization if the fill meets specific conditions set by the state. “Special” or “Perioperative” may be subjected to a retrospective review.

These rules are not in effect at this time and are subject to change prior to the July 1, 2017 implementation date. Once the state adopts the final rules an update to this bulletin will be disseminated. The posting of the draft rules, the draft Formulary and other related documents can be viewed here: http://www.dir.ca.gov/dwc/DWCPropRegs/MTUS-Formulary/MTUS-Formulary.htm. For additional information, please consult your Coventry Account Manager.

About Coventry

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