

This Client Advisory provides important information for Gallagher Bassett clients with workers' compensation exposure in Montana.

Montana legislature passed [SB312](#) authorizing the Department of Labor and Industry to adopt a drug formulary for the worker's compensation system. The Department proposed and adopted the ODG formulary as it would "*best meet the needs of Montana*" based on factors including (a) utilization of an evidence-based and transparent process, (b) ease of implementation and readability, (c) ease of access with no cost to stakeholders, (d) ability for stakeholder input, and (e) a consistent track record in other states.

The *Montana Workers' Compensation Drug Formulary* will work in conjunction with the Utilization & Treatment guidelines and is intended to provide uniformity in prescribing medications to injured workers. (Rule ARM [24.29.1600](#).)

The *Montana Workers' Compensation Drug Formulary* will impact claims with a date of injury on or after April 1, 2019, and applies to all FDA-approved drugs prescribed and dispensed for outpatient use.

We wanted to provide you with an overview of the new regulations and proposed actions to help you maintain compliance.

WHAT CLAIMS DOES THE DRUG FORMULARY APPLY TO AND WHEN DOES IT TAKE EFFECT?

Timing

As of January 1, 2019, the formulary and formulary rules will apply to all new claims with dates of injury on or after April 1, 2019. For claims with dates of injury *before* April 1, 2019, the formulary and formulary rules will apply on April 1, 2020. For these injuries every prescription must be dispensed consistent with the new *Montana Workers' Compensation Drug Formulary*. Any drugs not listed on the formulary will require prior authorization.

There will be an exception under the regulations for injured workers with a date of injury prior to April 1, 2019 (referred to as "legacy" claimants). These legacy claimants will not be impacted by the formulary until April 1, 2020 in order to ensure their ongoing medication therapy is not abruptly halted.

Classification

The ODG formulary is a comprehensive list of drugs that are commonly prescribed for work-related injuries and each drug is given either a preferred ("Y") or non-preferred ("N") status.

- *Prior authorization is required on*
 - Any non-preferred "N" drugs listed on the ODG formulary
 - Compound drugs (including those containing only "Y" drugs)
 - Experimental or investigational drugs
- *No prior authorization is required on*
 - Any preferred "Y" drugs listed on the ODG formulary (except Compound)

WHY DID MONTANA ADOPT A DRUG FORMULARY?

The Department of Labor and Industry is following the path of several other states in adopting an evidence-based formulary with guidelines established by the Centers for Disease Control and Prevention for opioid prescriptions.

The goals of implementing a workers' compensation drug formulary in Montana are to:

- Improve worker outcomes by reducing disability duration and increasing return to work
- Reduce potential addictions by limiting opioid prescriptions, and
- Reduce or contain pharmaceutical costs in workers' compensation claims.

HOW WILL GB HELP CLIENT ORGANIZATIONS COMPLY WITH THE FORMULARY REGULATIONS?

GB is proactive and we will be providing training to our staff to ensure they are aware of Rule 099.41 and the claim handling requirements. We are also refining pharmaceutical-related processes to ensure compliance:

- Our Pharmacy Benefit Management (PBM) companies will identify prescriptions that are compounds, unlisted or require prior authorization and ensure those prescriptions are not filled without appropriate review or authorization.
- GB Utilization Review processes will comply with the Montana Workers' Compensation Commission guidelines and implement prospective reviews as required for drugs not allowed on the drug formulary.
- Our resolution management system will generate alerts for GB Resolution Managers to facilitate compliance with the drug formulary regulations.

ADDITIONAL INFORMATION

For additional information on Montana Rule ARM 24.29.1600 and the drug formulary please visit Gallagher Bassett's website at <https://www.gallagherbassett.com/managedcareplans-networks>, then click on the Montana icon. You will then be able to access additional and detailed information, including a link to the Montana Department of Labor and Industry website.

Detailed information about the new formulary, including the responsibilities of prescribers, is available on the Montana Department of Labor and Industry's website at this link: <http://erd.dli.mt.gov/work-comp-claims/medical-regulations/formulary>

You may also contact your Account Manager at any time for additional information or questions.