



# Client Advisory

## Indiana Drug Formulary



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This Client Advisory provides important information for Gallagher Bassett clients with workers' compensation exposure in Indiana. Indiana Senate Bill 369 was recently signed into law, with an effective date of January 1, 2019, requiring the implementation of a workers' compensation drug formulary based on the Official Disability Guidelines (ODG) Workers' Compensation Drug Formulary Appendix A. The drug formulary will impact all claims with an "N" drug, which were initially dispensed on or after July 1, 2018. Rule IC 22-3-3-4.7 can be viewed in full detail on the Indiana Workers' Compensation Board website by clicking this link: <https://www.in.gov/wcb/2595.htm>.

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?**

The new drug formulary requirements are applicable to all workers' compensations injuries with "N" class drug dispensed on or after 7/1/18.

#### Timing

- All "N" class drugs dispensed on or after 7/1/18 shall be consistent with the Indiana Workers' Compensation drug formulary. Drugs not allowed on the formulary will require prior authorization as of 1/1/19.
- For injuries with "N" class drugs dispensed prior to 7/1/18 with continued use after 1/1/19, will be permitted until 1/1/20.

#### Classification

The Indiana Workers' Compensation drug formulary, except during a medical emergency, prohibits workers' compensation and occupational disease compensation reimbursement for drugs specified in the ODG Worker's Compensation Drug Formulary Appendix A published by MCG Health as "N" class drugs.

- The Drug Formulary (Appendix A) can be viewed at <https://www.odgbymcg.com/state-formulary>.
  - Status "Y" means the medication is preferred for use as a first line medication under ODG Guidelines
  - Status "N" means that the medication is not preferred for use as a first line medication under ODG guidelines
- A "medical emergency" is defined as the sudden onset of a medical condition manifested by acute symptoms of sufficient severity, including severe pain, that in the absence of immediate medical attention could reasonably be expected to result in: (1) serious jeopardy to the employee's health or bodily functions; or (2) serious dysfunction of a body part or organ.
- All compound medications will be classified as "N" class drugs effective 1/1/19.

### **WHY DID INDIANA ADOPT A DRUG FORMULARY?**

The Indiana Workers' Compensation Board adopted a drug formulary to ensure the timely delivery of appropriate medical care to injured workers to achieve optimum health and return to work outcomes. In addition it was implemented for the specific purpose of attempting to address the opioid epidemic in Indiana.



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

Our Pharmacy Benefit Management (PBM) companies will identify prescriptions that are “N” status drugs, prescriptions requiring prior authorization or compounds to ensure those prescriptions are not filled without appropriate review. Alerts are generated to the GB Resolution Manager to facilitate compliance with the formulary regulations.

GB Utilization Review Agents comply with the URAC requirements and will implement prospective reviews as required for drugs not allowed on the drug formulary.

### ADDITIONAL INFORMATION

For additional information on the Drug Formulary you may review Gallagher Bassett’s website at <https://www.gallagherbassett.com/managedcareplans-networks>, then click on the Indiana icon. You will then be able to access additional and detailed information, including a URL link to the Indiana Workers’ Compensation Board website, where Rule IC 22-3-3-4.7 can be viewed in full detail. You may also contact your Account Manager at any time for additional information or questions.