

Maureen Gray, Regulations Coordinator,
dwcrules@dir.ca.gov

Dear Ms. Gray;

As an (**EMPLOYER, INSURER or ADMINISTRATOR**) administering Workers Compensation Plans in the state of California, I oppose the recently proposed Pharmacy Fee Schedules in Section 9789.40, et. seq., which would drastically increase the costs of workers compensation coverage in the state. Providing high quality and cost-effective coverage for medical care is our goal. Unfortunately, this legislation will increase the cost of drugs and negatively impact how we provide pharmacy benefits to our injured workers.

The regulation mandates an increase in pharmacy reimbursement based on a flawed benchmark and mandates an increased pharmacy dispensing fee of no less than the dispense fee set by Medi-Cal, which is currently \$10.05 or \$13.30 per claim. These dispense fees exceed current market rates for the workers compensation market and are estimated to increase the cost of funding for healthcare services to injured workers. The increase per claim based on the dispense fee provision alone will be \$3.30 to \$6.05 (increase up to 83%).

The practice of physician dispensing ignores critical patient safety alerts that are typically identified and communicated to retail pharmacies before medications are dispensed. Physician dispensing also introduces other safety issues including:

- Medication checks and patient counseling
- Lack of regulatory oversight for medication labeling, record keeping, and storage
- Lack of supervision of the dispenser
- Increased fees and costs for employers
- Potential conflict of interest for the dispensing physician by means of financial gain

Based on the current high cost of medical services we ask that you withdraw this current proposed rule and consider a \$0 dispensing fee for prescribers or a modest increase based on current market rates, not those of Medi-Cal. In doing so, you will help strengthen the workers' compensation marketplace and protect the injured workers who should be considered for any proposed change in rules.

Sincerely,

Jane Doe

EMPLOYER/INSURER/ADMINISTRATOR