

Kudos to California!

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The language has been approved (**published late on Sep 4**) for a bill to establish a Work Comp drug formulary in California - I will let you read it for yourself rather than restating it's contents here. AB 1124 should have its third reading on Sep 8, a vote on either Sep 9 or Sep 10, and with enough AYE votes Governor Brown will sign it into law shortly thereafter. I certainly don't want to jinx it by unequivocally stating that a drug formulary will be implemented in California by July 1, 2017, but that possibility is as promising as it has ever been.

But ... It hasn't been easy. And I and others at PRIUM have had a front row seat to the entire process:

- In November 2009, we started following the development of the Texas drug formulary, staying engaged through the 9/1/11 and 9/1/13 implementations.
- On November 8, 2012 at the National Work Comp & Disability Conference in Las Vegas, I presented an overview of the Texas drug formulary and opined

that California was a logical candidate to consider something similar.

- In December 2013, I had my first meeting with California's Department of Workers' Compensation (DWC) to present the concept of a drug formulary.
- In January 2014, I had my first meeting with leaders in the Assembly, Senate and Labor to discuss the concept of a drug formulary.
- In October 2014, the first major milestone in California's discussion of a drug formulary came after the California Work Comp Institute (CWCI) published a whitepaper "Are Formularies a Viable Solution to Controlling Prescription Drug Utilization and Cost in California WC" with a tentative answer of "yes".
- On March 5, 2015, the second major milestone occurred
 when Assemblyman Henry Perea (D-Fresno) introduced AB 1124 to direct
 the DWC's Administrative Director to adopt a formulary (read about it in this
 WorkCompCentral article that requires subscription.

Since that date, the process of filling in the details has been a consuming priority for me and many others involved in Work Comp in California. There have been many formal and informal meetings involving almost every stakeholder and constituent. There was a public hearing in the Assembly and then in the Senate, both interesting in their content and participants, from praise to guarded optimism to limited opposition. An advisory committee has been working directly with Assemblyman Perea's office in July and August to develop the content of the bill. It has been an adventure in spirited dialogue and compromise in a decidedly non-antagonistic environment (though one not totally devoid of disagreement). The committee was comprised of representatives from every possible corner of Work Comp in California, and while the final version of the bill does not reflect all of the suggestions, the dialogue has been extremely helpful in establishing what will need to be addressed in the rule-making process. In collaboration with the DWC, the focus has been on crafting a bill to become law that mandates action but provides flexibility.

The third major milestone? July 23, 2015 at the CCWC conference in Anaheim where David Lanier (Secretary of the Labor and Workforce Development Agency) stated "Based on the work to date and the urgent need I have instructed Christine [Baker, Director of the Division of Industrial Relations] to move forward with creating a formulary as expeditiously as possible". This strategic statement sent an unmistakable message that a formulary was going to happen. Period. I still recall seeing people in the audience

turning their heads and whispering to each other "did I just hear that right?" while I was writing notes to myself with exclamation marks.

And it got done (well, almost done). Think about it – from March 5, 2015 until now, all constituents in the California Work Comp system have basically agreed that a drug formulary is needed. **In California! In less than six months!**Amazing!

Of course, there is much work still to be done. And likely the hardest work to be done. Deciding on the concept of a drug formulary and some general parameters is one thing — crafting the actual rules and process to initiate intended consequences and mitigate unintended consequences are yet another. My July 2015 article on *Claims Management* magazine, "A Formulary for Success", will provide some insights into guiding principles that should be taken into account.

The first step to that is September 8, 2015 from 10:00am till Noon when a public hearing will be held to establish the goals of the DWC and listen to feedback from all interested parties. This meeting will just be the start of a long journey, and I will continue to be a technical adviser as the rules are developed. Unfortunately, I will not be able to attend as I had previously committed to speak at a North Bay Work Comp Association event in Santa Rosa, but if you're interested go to the Elihu Harris State Office Building (Room 2, Second Floor, 1515 Clay Street, Oakland, CA 94612) on Tuesday.

The stated goals of the DWC are:

- Improve appropriate care through the dispensing of evidenced-based medicine
- Expedite pharmaceutical treatment for ill and injured workers
- Reduce delays, including reducing the need for elevated utilization review and independent medical review
- Improve efficient delivery of medical benefits and reduce administrative costs

Those are the lofty goals that have driven this entire process since the beginning, and one reason why consensus through compromise has been achieved so quickly.

The common theme I've heard throughout this process has been to ensure injured

workers receive appropriate treatment with a renewed focus to limit the damage prescription drugs with very dangerous and even life-threatening effects can wreak. Part of that is to ensure those who have become reliant / dependent upon / addicted to dangerous polypharmacy regimens are not suddenly thrust into withdrawal but allowed to thoughtfully and carefully be tapered to a more appropriate drug regimen while being equipped with more robust coping skills to deal with the pain that remains.

In other words, whether it's Labor or applicant attorneys or defense attorneys or physician groups or carriers or self-insured employers or legislators or PBM's or any other interested party, the focus has been squarely on combating the epidemic of over/misuse of prescription drugs and creating a path to less dangerous and more efficacious pain management for those that need it. **And who can argue with that?** Apparently, nobody.

Because there have been so many people integral to this process, I won't even try to name them all. So, instead, I will just say "Kudos Cali"!

