

## Pennsylvania Imposes Limits on Physician Dispensing to Injured Workers

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With the Governor's signature yesterday on House Bill 1846/Act 184 of 2014, the Pennsylvania Workers Compensation Act underwent a significant change that many hope will decrease costs for employers and help speed up the recovery process for injured workers. Act 184 was designed to address a loophole in the Workers' Compensation Act that permitted essentially unlimited medication dispensing by physicians directly to injured workers, often at large price mark-ups over what pharmacies can charge. Proponents of the change noted that out-of-state drug repackaging companies took advantage of this loophole by partnering with prescribing physicians and charging workers' compensation carriers sometimes over 1000% more for drugs than they would be able to charge at pharmacies. Proponents also pointed out that medical studies have shown that patients receiving medication through physician dispensing tend to remain on the medication and out of work for longer periods of time. The result was increased costs to employers and a rise in physician dispensing to injured workers compared with other patients. A 2013 study found that physician-dispensed medications accounted for 29% of all prescription in workers' compensation and 48% of all prescription costs. Act 184 requires physicians to include the original drug manufacturer's National Drug Code on bills they submit for reimbursement under the Act, prohibiting use of repackaged National Drug Code numbers. The Act sets a maximum reimbursement rate of 110% for physician-dispensed drugs. Perhaps most significantly, the Act limits the period of time for pill dispensing: one initial seven-day supply for Schedule II and III drugs like morphine, fentanyl, oxycodone, and codeine; one initial thirty-day supply for all other drugs. In the event of a medical procedure, including surgery, one additional fifteen-day supply can be dispensed commencing with the date of the medical procedure. All other medications must be dispensed by a pharmacy to be reimbursed. Act 184 takes effect December 26, 2014. The entire Act is not yet available on line, but the version of the Bill that was ultimately passed (with revisions noted from the original proposal) can be found [here](#).

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