



CompPharma Position on the Role of a Workers' Compensation PBM

A Pharmacy Benefit Manager (PBM) manages prescription drug benefits for covered patients on behalf of their healthcare plan, insurance carrier or employer. In workers' compensation, the PBM plays a much larger and more comprehensive role and is more directly involved in the management of the pharmacy benefit, as compared to a group health PBM. Essentially, a workers' compensation PBM provides pharmacy services for injured workers on behalf of numerous payers (state funds, self-insured employers, insurance carriers, and third party administrators) while ensuring retail pharmacies can process a claim and are reimbursed in a timely and equitable manner. Workers' compensation PBMs make provision of medications – necessary to help with speedy recovery – possible while reducing and limiting costs and risks for payers and ensuring pharmacy access and safety for injured workers.

There are numerous differences between providing pharmacy benefit management services in workers' compensation and providing PBM services in other pharmacy marketplaces, chief among them being:

- There is little direction of care in workers' compensation, which means that non-network providers have the right to bill the payers for any open compensable claim and receive fee schedule or usual and customer (U&C) rates, eliminating the discounts and often times the clinical safety checks;
- In almost all circumstances, injured workers do not pay anything for their prescriptions;
- Reimbursement, billing and reporting for workers' compensation pharmacy services are highly regulated by state-established fee schedules and other state regulations;
- Workers' compensation pharmacy coverage is not a "pre-defined" benefit program like most group health, Medicare and Medicaid programs because both eligibility and injury compensability define benefit parameters – in fact in most "first fill" cases, the pharmacist has no information on the validity of the workers' compensation claim.

WC-PBMs provide numerous cost savings and pharmacy safety measures, such as drug interaction checks, fraud detection, formulary management, and drug utilization review to help ensure that duplicative or very similar medications are not being prescribed and utilized. These services protect the injured worker's health and safety while promoting recovery. They also benefit the workers' compensation system by enhancing patient safety while containing pharmacy costs.

CompPharma works with policy makers and other interested parties to promote effective and balanced public policies that ensure a level playing field for operation of PBMs in the workers' compensation pharmacy marketplace and oppose imprudent efforts to remove or diminish the role of PBMs in provision of workers' compensation pharmacy services.