

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)

Proposed Model Act on Workers' Compensation Repackaged Pharmaceutical Reimbursement Rates

To be considered by the NCOIL Workers' Compensation Insurance Committee on March 9, 2013. Co-sponsored for discussion by Rep. Bill Botzow (VT) and Rep. Charles Curtiss (TN)

Drafting Note: This model language is intended for inclusion in state insurance code or regulation related to workers' compensation medical fee schedules.

Section 1. Purpose

The purpose of this Act is to establish clear guidelines for reimbursement of repackaged pharmaceutical products in order to help reduce workers' compensation insurance costs.

Section 2. Short Title

This Act shall be known as the "Model Act on Workers' Compensation Repackaged Pharmaceutical Reimbursement Rates."

Section 3. Definitions

Drafting Note: Definitions for language in this Act would track definitions in [insert relevant workers' compensation statute].

Section 4. Reimbursement for Repackaged Pharmaceutical Products*

- A. All pharmaceutical bills submitted for repackaged products must include the National Drug Code (NDC) Number of the original manufacturer registered with the U.S. Food & Drug Administration (FDA) or its authorized distributor's stock package used in the repackaging process.
- B. The reimbursement allowed shall be based on the current published manufacturer's Average Wholesale Price (AWP) of the product, calculated on a per unit basis, as of the date of dispensing.
- C. A repackaged NDC Number shall not be used and shall not be considered the original manufacturer's NDC Number. If the original manufacturer's NDC Number is not provided on the bill, then the reimbursement shall be based on the AWP of the lowest priced therapeutically equivalent drug, calculated on a per unit basis.
- D. The filling fees otherwise provided in *[insert relevant workers' compensation statute]* shall be payable when applicable.

Section 5. Enforcement

The *[insert applicable state agency]* shall have enforcement authority as provided under *[insert workers' compensation statute]*.

Section 6. Effective Date

This Act shall take effect *[insert months]* after enactment.

* Based on provisions in TN Dept. of Labor & Workforce Development, Division of Workers' Compensation Rule 0800-02-18-.12