

Montana Workers' Compensation

DRUG FORMULARY



Effective for claims arising on or after April 1, 2019.

In May 2017, the Montana Legislature passed SB312, authorizing the Montana Department of Labor & Industry to adopt a drug formulary for the workers' compensation system. The formulary will work in conjunction with the Montana Utilization & Treatment Guidelines and is intended to provide uniformity in prescribing medications to injured workers.

The list, known as the Official Disability Guidelines (ODG), was developed by MCG Health, LLC and includes drugs most commonly prescribed for work-related injuries. Each drug on the list is given a preferred ("Y") or non-preferred ("N") status and the full list can be found at erd.dli.mt.gov/work-comp-claims/medical-regulations/formulary.

Overall Goal: Improving injured worker outcomes by ensuring uniformity and reducing the number of potentially dangerous prescriptions.

Key Information:

- 1. Prior Authorization:** Any drug that does not have a "Y" (preferred) status on the ODG formulary will require prior authorization before the drug can be dispensed. This includes "N" (non-preferred) drugs, drugs not listed on the formulary, compounds and experimental/investigational drugs. Prior authorization is not needed for prescriptions listed as an "N" if written within 7 days of the occurrence of the workplace injury and the quantity prescribed is limited to a maximum of a 7-day supply.
- 2. Legacy Claims:** Legacy claims include any workers' compensation claim with a date of injury before April 1, 2019. Legacy claims prescribed drugs other than a "Y" status on the formulary will be subject to the formulary rules on the latter of April 1, 2020, or 90 days after notification by the insurer.
- 3. Expedited Case Review:** Available when an insurer denies a previously prescribed and dispensed medication, in which the discontinuation poses the risk of a medical emergency for the injured worker.
- 4. Dispute Resolution:** Any party may petition the Montana Department of Labor & Industry for an Independent Medical Review (IMR). The same IMR process will apply for drugs as for other medical treatment and services.

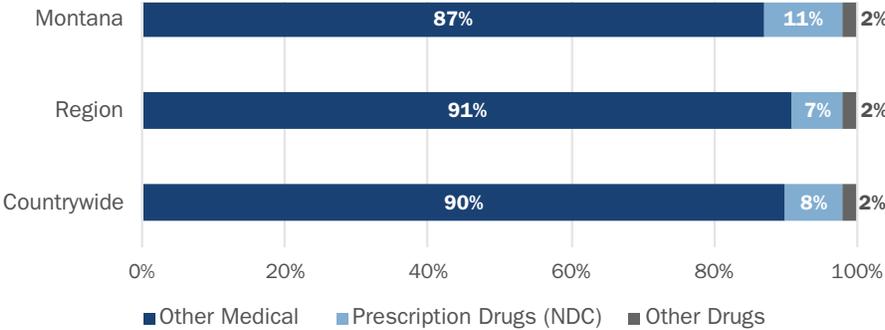


Montana Department of
LABOR & INDUSTRY

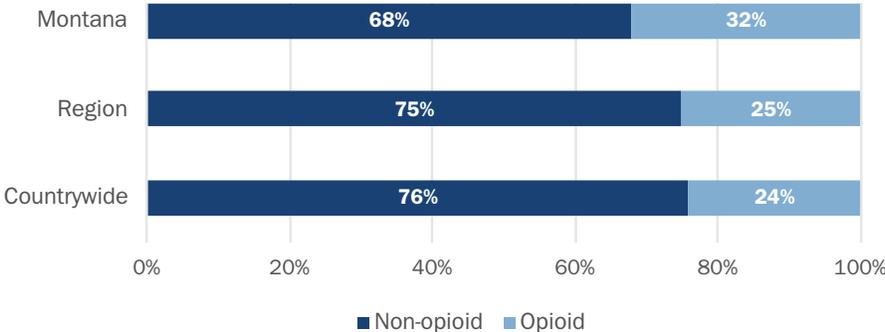
Adoption of a drug formulary provides an evidence-based tool to improve worker outcomes. The use of formularies has been shown to be effective at reducing disability duration and increasing return-to-work rates, while still providing a quality treatment plan. Additionally, the use of formularies is shown to lower the number of potentially dangerous drug prescriptions, contributing to patient safety.

In Montana, a larger share of total medical payments is for prescription drugs, and similarly, a larger share of total drug payments is for opioids, compared to other NCCI states. Injured workers in Montana may also utilize opioids for longer, as 39% of claims that received at least one opioid prescription in service year 2017 were for claims that were 6 years matured or older.

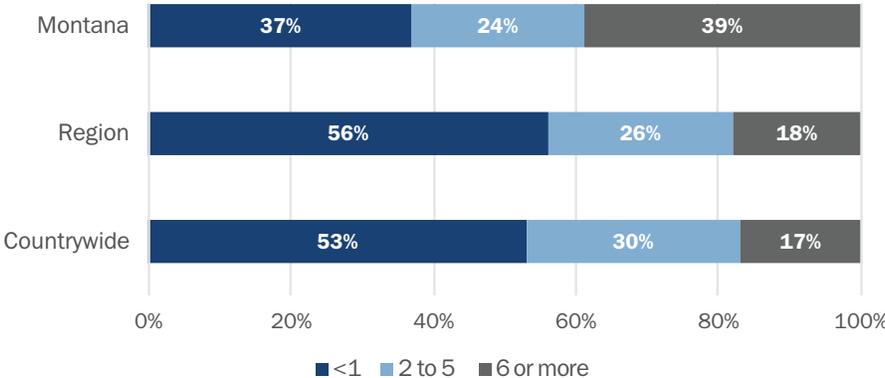
Drug Share of Medical Payments, Service Year 2017



Distribution of Drugs by Payment, Service Year 2017



Opioid Claim Distribution by Claim Maturity, Service Year 2017



Source: NCCI "Opioid Utilization Supplement" 2018