

# MT Workers' Compensation Drug Formulary Update

BRI LAKE, RESEARCH ANALYST  
EMPLOYMENT RELATIONS DIVISION



Montana Department of  
**LABOR & INDUSTRY**

# Recommendation

## Goals of Implementing a WC Formulary :

1. Reduce the number of potentially dangerous drug prescriptions
2. Improve worker outcomes by reducing disability duration and increasing return to work rates

## Proposed Formularies:

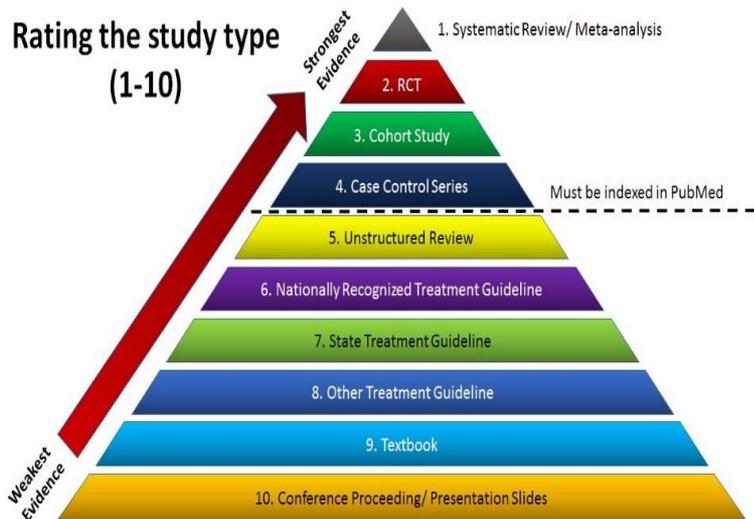
- ODG (Work Loss Data Institute)
- ACOEM (ReedGroup)
- Washington L&I Outpatient Formulary (State of Washington)

Based on the information provided by representatives, the current and available literature, as well as internal research and discussion, the Department proposes that the **ODG formulary** would *best* meet the needs of Montana.

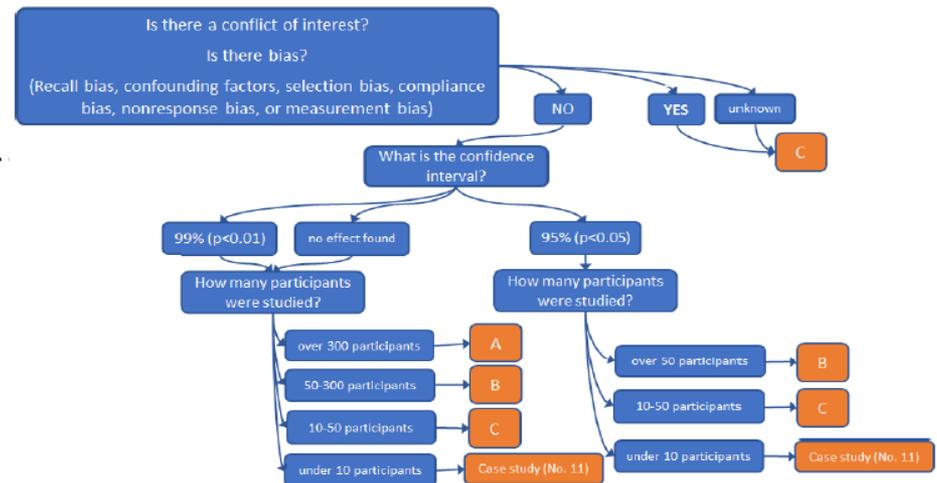
# Reasoning

## Evidence Based Medicine and Transparency

- ODG utilizes an evidence based process that includes both internal and external experts to review the most up-to-date medical literature and rank studies by both study **type** and **quality**



## Rating the study quality (A-C)



# Reasoning

## Evidence Based Medicine and Transparency (cont'd)

- The removal of ODG from the National Guidelines Clearinghouse primarily due to lack of evidence tables
  - Would have required ODG to completely reformat their product
  - NGC standards are rigorous, but we do not find their standards to be the “end-all” definition of what qualifies as evidence based medicine.
- ODG has been very forthcoming in answering all our questions regarding their process and their staff

## Use with the Montana Utilization and Treatment Guidelines

- It is our understanding that full integration of commercial guidelines and formulary is not desirable to stakeholders at this time
- Guidelines will need to be reviewed and updated in order to minimize potential confusion or disputes
- Currently reviewing the MT U&T guidelines for any recommendations of medications and comparing those to the ODG formulary recommendations
  - Review of the Low Back chapter found no contradictions or areas of concern

# Reasoning

## Accessibility and Simplicity

- No cost to stakeholders to use the ODG formulary list
  - List can easily be posted to DLI website
- ODG will also make their “NDC Advisor” tool available at no charge
- Stakeholders who would prefer to purchase the ODG guidelines for access to the evidence underlying the formulary recommendations could do so at their discretion.
  - Likely significant penetration in the state already for larger insurers/PBMs (ex. Montana State Fund already has access to ODG guidelines)

## Ease to Implement and Maintain

- The ODG formulary provides the easiest means of implementation with no maintenance necessary and minimal administrative cost.
- 100% maintained by Work Loss Data Institute
- Updated monthly or as needed
- ODG has also offered to assist with rulemaking and stakeholder education/training

# Reasoning

## Consistent and Well Established Track Record

- States that have adopted the ODG formulary include: Texas, Arizona, Oklahoma, and Tennessee
- Many other states/organizations utilize their guidelines<sup>(1)</sup>

## Stakeholder Input

- ODG has offered to include a Montana clinician on the ODG Advisory Board to allow for internal stakeholder input
- ODG also provides an external process for stakeholder input

## Provider Perspective: Comments from Dr. John Shumpert, MD

- Supports ODG formulary for its ease of use
- Providers not likely to embrace a new formulary if also required to purchase new guidelines

<sup>(1)</sup>[http://www.worklossdata.com/uploads/2/4/1/6/24166932/odg\\_state\\_adoptions\\_08-23-2017.pdf](http://www.worklossdata.com/uploads/2/4/1/6/24166932/odg_state_adoptions_08-23-2017.pdf)

# Summary of Reasoning

## ODG formulary:

- Utilizes an evidence-based process
- Is easy to implement, easy to read, and easy understand for all parties
- Does not require stakeholders to purchase access to the guidelines
- Allows for stakeholder input
- Will allow for assistance with rulemaking and stakeholder training
- Is well established in many other states

# Next Steps

- Research into what other states have done, their lessons learned, and their overall experience with formulary implementation is currently in progress
- Reviewing and updating of U&T Guidelines currently in progress
- Determine:
  - First Fill Procedures
  - Prior Authorization Process
  - Dispute Resolution Process
  - Legacy Claims
  - Adopt MED?
  - Establish P&T Committee?

# Questions?/Thank you!

CONTACT:

[BRI.LAKE@MT.GOV](mailto:BRI.LAKE@MT.GOV)

(406) 444-6527



Montana Department of  
**LABOR & INDUSTRY**