

PHYSICIAN DISPENSING – WORKERS COMPENSATION

Background: Maryland physicians who obtain a “dispensing” permit from the Maryland Board of Physicians are allowed to dispense medications to their patients at the time of the office visit for treatment and therapy. In the workers compensation context, physician dispensing guarantees that injured patients receive medications when needed and that their recovery begins immediately. However, the Workers Compensation Insurance industry maintains that physicians who dispense medications to their patients charge too much for the medications. The Industry has previously proposed legislation that would have effectively ended dispensing by physicians to injured workers by creating rules and payment levels that were economically and administratively unsustainable. Legislation by the Insurance Industry is expected to be introduced in the 2014 Session.

The Problem: Studies advanced by the Workers Compensation industry show that the cost “per pill” of physician dispensed medication is higher than that charged by pharmacies. However, the Industry fails to recognize that their own studies also demonstrate that while the cost “per pill” may be higher the total pharmaceutical cost per claim was substantially less when doctors dispensed the medicine. In large part this is because doctors dispense substantially less pills per claim than pharmacies. Doctors dispense at the time of the visit which insures the injured workers get their medications and begin treatment immediately. In contrast, many prescriptions that are written to be filled at a pharmacy, may be unnecessary, will not be fully utilized or are never filled. Patient compliance is a significant factor in the cost of Workers Compensation claims. In addition, dispensing by the physician also enables the worker to avoid the uncertainty and expense that arises with a pharmacy where the worker may be told he/she must pay for the prescription “out of pocket”; the prescription is not covered by workers compensation because coverage cannot be substantiated; or authorization is not granted on a timely basis. The end result is denial of care to the injured worker or unreasonable delay in starting care – all of which lead to higher cost of coverage and poorer health outcomes.

The Solution: Oppose legislation that prohibits physicians from dispensing medications to injured workers; which requires dispensing physicians to be paid the same reimbursement as a pharmacy; or which otherwise creates rules and payment levels that effectively eliminate a physician’s right to dispense medication at the time of visit or during a course of treatment.

What to Do: Contact members of the Senate Finance Committee and the House HGO and Economic Matters Committees and urge them to oppose any legislation that negatively impacts a physician’s ability to dispense medications to injured workers.