

FISCAL NOTE

November 16, 2017

Bill No:	HB 18	Printer's No:	PN 2014	Sponsor:	McKenzie
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COST / (SAVINGS)

Fund (s)	2017-18	2018-19
Labor and Industry, General Fund	"See Fiscal Impact"	"See Fiscal Impact"
Workers' Compensation Administration Fund Transfer	(Up to \$1.5 million)	(Up to \$1.5 million)

SUMMARY: This legislation amends the Workers' Compensation Act, in liability and compensation.

ANALYSIS: This legislation requires the Department of Labor and Industry (L&I) to select a nationally recognized evidence-based prescription drug formulary appropriate for resolving issues related to drugs prescribed for or related to the treatment of work-related injuries.

Upon selection of a formulary, L&I is required to solicit public comment regarding their prescription drug formulary selection. The public comment period shall last 90 days and during that period, L&I is required to hold at a minimum, one public hearing on their selection. Additionally, this legislation requires L&I to post the selected prescription drug formulary in the PA Bulletin within 30 days of the close of the public hearing. The prescription drug formulary shall take effect 180 days after the publication in the PA Bulletin.

This legislation requires that the Pennsylvania Compensation Rating Bureau (PCRB) calculate the savings achieved through the implementation of the formulary within eighteen months following the effective date of the formulary.

This legislation requires that L&I enter an agreement with a nationally recognized certification or accreditation organization to provide an accreditation process for utilization review organizations (UROs). The agreement must include the costs of any audits required for the certification or accreditation process. This legislation requires that L&I make reasonable attempts to negotiate a reduction of the cost of the certification or accreditation. This legislation allows any existing URO to be eligible to participate in the initial certification or accreditation process at no cost to the URO. An entity for which L&I incurs costs for is responsible for reimbursing L&I for costs related to the most recent certification or accreditation, if the entity does not successfully obtain the certification or accreditation.

This act shall take effect in 60 days.

FISCAL IMPACT: This legislation will place additional duties on L&I resulting in a cost. Those duties include:

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- L&I shall conduct an annual review of the updates issued by the formulary publisher to the selected formulary and solicit public comment by November 1 of each year
- Publish notice of the proposed updates and a public comment period in the PA Bulletin
- Publish notice of the adopted updates in the PA Bulletin
- Ensure that the current prescription drug formulary is available through its publicly accessible internet website for reference by physicians and the public

The cost to L&I shall not exceed \$1.5 million annually. That amount shall be transferred to L&I from the Workers' Compensation Administration Fund.