

# Physician dispensing

## Workers' compensation state-by-state rules



### Alabama

- **Physician dispensing reimbursement protocols:** Repackaged/re-labeled drugs is lesser of original NDC's average wholesale price (AWP) and repackaged/re-labeled NDC's AWP.
- **Requirement regarding use of original NDC:** Repackaged/re-labeled drug bills must include original underlying NDC and NDC of repackaged/re-labeled product.
- **Dispensing fee restrictions:** Only for pharmacies.
- **Physician dispensing supply limits:** N/A



### Alaska

- **Physician dispensing reimbursement protocols:** Enabling statute uses "original manufacturer's invoice," which WCB has interpreted for use of "manufacturer's" AWP.
- **Requirement regarding use of original NDC:** Bills for physician dispensed drugs shall include original manufacturer's NDC.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



### Arizona

- **Physician dispensing reimbursement protocols:** Are based on AWP of underlying drug product. If information pertaining to original labeler of underlying drug product is not provided or unknown, discretion is vested in payer to select AWP.
- **Requirement regarding use of original NDC:** Bills for physician dispensed drugs shall include NDC of repackaged drug and NDC of original manufacturer.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Some restrictions per rule - such as, must be dispensed within seven days from date of injury (DOI) and Rx is limited to no more than a one-time, 10-day supply.



## Arkansas

- **Physician dispensing reimbursement protocols:** Over-the-counters (OTCs) billed by physicians, reimbursement limited to provider's charge or up to 20% above cost of item.
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** No dispensing fee for physicians.
- **Physician dispensing supply limits:** Physicians must obtain a permit and demonstrate need before being approved to dispense.



## California

- **Physician dispensing reimbursement protocols:**
  - If NDC of dispensed drug not in MediCal but NDC of underlying drug from original labeler is, use NDC of underlying drug for reimbursement. If NDC from original labeler is also not in MediCal, max fee = 83% of AWP of lowest priced therapeutically equivalent drug (plus relevant dispensing fee.)
  - Reimbursement for physician-dispensed compounded medications is not to exceed 300% of documented paid costs, but in no case, more than \$20 above documented paid cost.
  - Reimbursement for physician-dispensed OTCs is not to exceed fee schedule or compound methodology (as applicable), 120% of documented paid cost, or 100% of documented paid cost plus \$250.
- **Requirement regarding use of original NDC:** Refer to reimbursement.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** MTUS Drug Formulary requires prior authorization for physician dispensed drugs other than “special and perioperative” fills.



## Colorado

- **Physician dispensing reimbursement protocols:** For all prescription medications (except topical compounds), if drugs have been repackaged, use original AWP and NDC assigned by source of the repackaged drugs to determine reimbursement. If OTC drug has been repackaged, use original AWP and NDC assigned by source of the repackaged drugs to determine reimbursement.
- **Requirement regarding use of original NDC:** Requires submittal of original NDC for repackaged and physician dispensed medications.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Prescriber shall not prescribe more than a 60-day supply for all prescription drugs. Opioids/scheduled controlled substances prescribed for treatment lasting more than three days shall be provided through a pharmacy.



## Connecticut

- **Physician dispensing reimbursement protocols:** Reimbursement is lesser of NDC for underlying drug product from original manufacturer/labeler or therapeutic equivalent drug product from original manufacturer/labeler NDC. OTC dispensed in practitioner's office reimbursed at acquisition cost + 30%.
- **Requirement regarding use of original NDC:** If information on original manufacturer/labeler of underlying drug product is not provided or unknown, discretion vested in payer to select NDC and associated AWP when calculating reimbursement.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



## Delaware

- **Physician dispensing reimbursement protocols:** If prescription drug/medicine repackaged, AWP used for reimbursement shall be AWP for underlying drug product, as identified by its NDC, from original labeler.
- **Requirement regarding use of original NDC:** If prescription drug/medicine repackaged, AWP used for reimbursement shall be AWP for underlying drug product, as identified by its NDC, from original labeler.
- **Dispensing fee restrictions:** Physicians dispensing from their office do not receive a dispensing fee.
- **Physician dispensing supply limits:** No practitioner shall dispense controlled substances beyond the amount deemed medically necessary for a 72-hour supply (non-workers' compensation specific practice requirement - see 16 Del. C. §4739A).



## Florida

- **Physician dispensing reimbursement protocols:** Drugs dispensed by a "dispensing practitioner" calculated by multiplying units dispensed by per-unit AWP set by original manufacturer of underlying drug dispensed at the specific practitioner fee schedule.
- **Requirement regarding use of original NDC:** All bills submitted for repackaged/ relabeled prescription drugs must include original manufacturer NDC (dispensed NDC also required by rules) - applies to physicians/practitioners.
- **Dispensing fee restrictions:** Specific \$8.00 dispensing fee for practitioners dispensing repackaged drugs.
- **Physician dispensing supply limits:** Physicians prohibited from dispensing Schedule II and III, with limited exceptions (non-workers' compensation specific) (Statute: FS 465.0276). For an opioid drug listed as a Schedule II, the dispensing practitioner shall not dispense an amount more than a three-day supply for treatment of acute pain, or a seven-day supply if previous criteria met. For a Schedule III, the amount dispensed may not exceed a 14-day supply.



## Georgia

- **Physician dispensing reimbursement protocols:** Reimbursement is based on current published manufacturer's AWP on the date of dispense. Dispensed OTC shall be at retail price and not exceed AWP.
- **Requirement regarding use of original NDC:** Repackaged drug bills must include NDC of the original manufacturer NDC + 50% or distributor's stock package used in repackaging process.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



## Hawaii

- **Physician dispensing reimbursement protocols:** Repackaged medications at fee schedule of AWP + 40%.
- **Requirement regarding use of original NDC:** Claims for repackaged/re-labeled medications shall include NDC of the original manufacturer. If not provided or unknown, reimbursement shall be 140% of AWP for the original manufacturer's NDC of the prescription drug that is most closely related to the underlying drug product.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



## Idaho

- **Physician dispensing reimbursement protocols:** Reimbursement to physicians for repackaged drugs based on AWP of original manufacturer.
- **Requirement regarding use of original NDC:** Reimbursement to physicians for repackaged drugs based on AWP of original manufacturer.
- **Dispensing fee restrictions:** Physicians not reimbursed a dispensing fee or compounding fee.
- **Physician dispensing supply limits:** N/A

## Iowa

- **No rules regarding physician dispensing**



## Indiana

- **Physician dispensing reimbursement protocols:** Reimbursement for repackaged prescription drugs (not OTC) dispensed by entity or person other than retail or mail pharmacy (e.g., physician) = use AWP set by original manufacturer. If NDC cannot be determined from bill/statement, max reimbursement = lowest cost generic for prescribed/dispensed prescription drug.
- **Requirement regarding use of original NDC:** If NDC cannot be determined from bill/statement, max reimbursement = lowest cost generic prescribed/dispensed prescription drug.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physicians only receive reimbursement for medications dispensed during the first seven days, including the date of injury.



## Illinois

- **Physician dispensing reimbursement protocols:** Prescription filled/dispensed outside of licensed pharmacy = AWP + \$4.18.
- **Requirement regarding use of original NDC:** Repackaged prescription filled/dispensed outside of licensed pharmacy, use AWP for underlying drug product, as identified by its NDC from original labeler, for reimbursement.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



## Kansas

- **Physician dispensing reimbursement protocols:** Physician dispensed medications reimbursed same as pharmacies — based on original manufacturer NDC (also require prior approval of employer/carrier).
- **Requirement regarding use of original NDC:** Physician dispensed medications reimbursed same as pharmacies — based on original manufacturer NDC (also require approval of employer/carrier).
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensed medications require prior authorization from employer/carrier.



## Kentucky

- **Physician dispensing reimbursement protocols:** Physician dispensed medications reimbursed same as pharmacies — based on original manufacturer NDC. If not on a bill, reimbursement is based on AWP of the lowest priced equivalent drug product.
- **Requirement regarding use of original NDC:** Bills for repackaged drugs shall be based on the original manufacturer NDC.
- **Dispensing fee restrictions:** Dispense fee not payable.
- **Physician dispensing supply limits:** KY controlled substances law, KRS 311.565(1) (a): practitioners prohibited from dispensing more than a 48-hour supply of any Schedule II or III containing hydrocodone unless done as part of an opioid treatment program licensed by state's Cabinet for Health and Family Services (physician cannot avoid limit by dispensing on consecutive or multiple occasions either — per rule: 201 KAR 9:220).



## Louisiana

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physicians may only dispense controlled substances or drugs of concern if registered as a dispensing physician and only up to a single 48-hour supply (non-workers' compensation specific) (LAC Title 46, Part XLV, Subpart 3, Ch. 65, Sec. 6503 - 6506).



## Maine

- **No rules regarding physician dispensing**



## Maryland

- **No rules regarding physician dispensing**



## Massachusetts

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing permitted only when necessary for immediate and proper treatment until possible for patient to have prescription filled by pharmacy (non-workers' compensation specific) [General Laws Part I Title XV Ch 94C Sec 9(b)].



## Michigan

- **Physician dispensing reimbursement protocols:** Repackaged: reimbursement based on original manufacturer's NDC.
- **Requirement regarding use of original NDC:** Bills shall include original manufacturer or distributor stock package NDC. When original manufacturer NDC not available and billed using unlisted or not otherwise specified code, payer shall select most closely related NDC for reimbursement.
- **Dispensing fee restrictions:** No dispensing fee for OTCs.
- **Physician dispensing supply limits:** OTCs dispensed by provider other than pharmacy shall be dispensed in 10-day quantities and be reimbursed at AWP or \$2.50, whichever is greater.



## Minnesota

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing permitted, if not for profit; or if for profit, must file with practitioner's licensing board a statement indicating practitioner dispenses legend drugs for profit, general circumstances under which practitioner dispenses for profit, and types of legend drugs generally dispensed (MN Statutes 151.37).



## Mississippi

- **Physician dispensing reimbursement protocols:** Physician dispensed medications reimbursed same as pharmacies — based on original manufacturer NDC.
- **Requirement regarding use of original NDC:** Providers shall submit both the repackaged and original manufacturer's NDC.
- **Dispensing fee restrictions:** Dispense fees not payable to physicians — only registered pharmacists.
- **Physician dispensing supply limits:** N/A



## Missouri

- **No rules regarding physician dispensing**



## Montana

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing for workers' compensation limited to certain exceptions, including dispensing a drug to a patient whenever there is no community pharmacy available to the patient, dispensing an opioid antagonist, and others (Montana Code Ann. Sec. 37-2-104).



## Nebraska

- **No rules regarding physician dispensing**



## Nevada

- **Physician dispensing reimbursement protocols:** Provider of health care who provides care on an outpatient basis may not charge an insurer or seek reimbursement for dispensing a non-prescription drug to a patient.
- **Requirement regarding use of original NDC:** Provider of health care shall include the original manufacturer's NDC on all bills and reports submitted to an insurer. A repackaged NDC must not be used and must not be considered an original manufacturer's NDC.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Provider of health care (physicians, nurses, therapists, etc. — but not pharmacies) may dispense an “initial supply” (quantity that when used as prescribed, does not exceed a 15-day supply and that is provided on a one-time basis) of a controlled substance listed in Schedule II or III by the NV BOP to a patient. Any controlled substances prescribed to a patient beyond the initial supply must be filled by a pharmacy registered with NV BOP.



## New Hampshire

- **No rules regarding physician dispensing**





## New Jersey

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physicians limited to dispensing only a seven-day supply unless 10 miles from nearest pharmacy and certain other listed exemptions. Additional limit on charge (non-workers' compensation specific) (Statutes 45:9-22.11).



## New Mexico

- **Physician dispensing reimbursement protocols:** Provider (physician) dispense = AWP - 10%. Provider-dispensed (physician) medications not to exceed cost of generic equivalent.
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** No dispensing fee for physicians.
- **Physician dispensing supply limits:** Initial provider (physician) dispense not more than 10 days for new prescriptions.



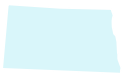
## New York

- **Physician dispensing reimbursement protocols:** Repackaged drugs/medications: reimbursed based on AWP for underlying drug product used in drug repackaging (if underlying/original NDC not provided, payer may not identify it to calculate reimbursement).
- **Requirement regarding use of original NDC:** Repackaged drugs/medications: reimbursed based on AWP for underlying drug product used in drug repackaging (if underlying/original NDC not provided, payer may not identify it to calculate reimbursement).
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physicians cannot dispense more than a 72-hour supply, with certain limited exceptions (non-workers' compensation specific, but also called out in workers' compensation fee schedule) (New York Education Law Sec. 6807, Subd. 2).



## North Carolina

- **Physician dispensing reimbursement protocols:** If original NDC not included, reimbursement limited to 100% of the AWP of the least expensive clinically equivalent drug.
- **Requirement regarding use of original NDC:** Original manufacturer's NDC required on bills for all prescription drugs and prescribed OTC drugs. Repackaged NDC may not be individually used on bill, but may only appear in conjunction with manufacturer's NDC.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Other than a licensed pharmacy, no outpatient health care provider may receive reimbursement for a Schedule II-V controlled substance dispensed for more than an initial five-day supply, commencing upon the employee's initial treatment following injury.



## North Dakota

- **Physician dispensing reimbursement protocols:** Physicians can dispense to patients (held to same rules as pharmacies, including submission of bills electronically to WSI's PBM vendor.)
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A



## Ohio

- **Physician dispensing reimbursement protocols:**
  - State Fund - drugs supplied to patient in physician's office not considered outpatient medication and not reimbursed by either BWC or MCOs; BWC will not approve payment for samples or other medications dispensed by a treating physician.
  - Self Insured - for repackaged brand medications, product cost component shall be calculated using AWP of original labeler (repackaged generics not addressed).
- **Requirement regarding use of original NDC:** Use AWP of original labeler.
- **Dispensing fee restrictions:** Only pharmacy providers are eligible for dispense fee.
- **Physician dispensing supply limits:** N/A



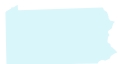
## Oklahoma

- **Physician dispensing reimbursement protocols:** Physician dispensed (non-repackaged reimbursed at lesser of AWP - 10%, amount for drug at payer's contracted rate with a mail order provider (if any) at time of dispense, or amount for drug obtained at retail pharmacy (per general pharmacy reimbursement rate). Repackaged drugs = lesser of AWP for original labeler's NDC - 10% or AWP of lowest cost therapeutic equivalent drug product - 10%.
- **Requirement regarding use of original NDC:** Used in reimbursement.
- **Dispensing fee restrictions:** After February 14, 2014 = \$5.00
- **Physician dispensing supply limits:** N/A



## Oregon

- **Physician dispensing reimbursement protocols:** Compensability of physician and nurse practitioner dispensing of drugs/medicine for oral consumption limited to initial 10-day supply except in emergency.
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Compensability of physician and nurse practitioner dispensing of drugs/medicine for oral consumption limited to initial 10-day supply except in emergency



## Pennsylvania

- **Physician dispensing reimbursement protocols:** Physicians may not seek reimbursement more than fee schedule as determined by original manufacturer's NDC.
- **Requirement regarding use of original NDC:** Physicians include original manufacturer's NDC on bills. If original manufacturer's NDC is not included on bill, reimbursement limited to 110% of AWP of the least expensive clinically equivalent drug.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Outpatient providers, other than licensed pharmacies, may not seek reimbursement for CII more than one initial seven-day supply commencing upon patient's "initial treatment" by a provider for specific WC claim (should patient require a "medical procedure," including surgery, one additional 15-day supply permitted commencing on date of procedure). May not seek reimbursement for any other prescription drug more than one initial 30-day supply, commencing upon patient's initial treatment by a provider for specific workers' compensation claim. May not seek reimbursement for an OTC drug.



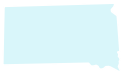
## Rhode Island

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Pharmaceuticals may be billed through a provider setting only if the provider administers the pharmaceutical (e.g., injectables).



## South Carolina

- **Physician dispensing reimbursement protocols:** Repackaged drugs required to be billed with original manufacturer's NDC and reimbursed according to it. If original NDC not provided/unknown, payer shall select most reasonable and closely associated AWP to use.
- **Requirement regarding use of original NDC:** Prescription topical compounded medications shall not exceed \$240 for a 30-day supply, prorated, not to exceed 90 days with a \$5.00 dispense fee.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Schedule II-III prescribed for treatment shall be provided through a pharmacy.



## South Dakota

- **No rules regarding physician dispensing**



## Tennessee

- **Physician dispensing reimbursement protocols:** Reimbursement based on current published manufacturer's AWP of product/ingredient, calculated on a per-unit basis, as of date of dispensing. Only the original manufacturer's NDC should be used in determining AWP.
- **Requirement regarding use of original NDC:** All bills must include NDC of original manufacturer registered with FDA or its authorized distributor's stock package used in repackaging/compounding. If original manufacturer's NDC not provided on bill, reimbursement based on AWP of lowest priced therapeutically equivalent drug, calculated on per-unit basis.
- **Dispensing fee restrictions:** Physician should not receive dispense fee.
- **Physician dispensing supply limits:** Dispensing controlled substances by practitioners in pain management clinic prohibited (non-workers' compensation specific) in most cases (see TN code §63-1-313). In addition, "health care prescriber" may not dispense an opioid or benzodiazepine except for several listed exceptions (see TN code §63-1-154).



## Texas

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing permitted only to meet patient's immediate needs unless in "rural" area (non-workers' compensation specific) (Statute: Occupations Code Title 3 Subtitle B Chapter 158).



## Utah

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing not permitted unless administering or for certain very limited circumstances (non-workers' compensation specific) (Pharmacy Practice Act, 58-17b).



## Vermont

- **No rules regarding physician dispensing**



## Virginia

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** Physician dispensing permitted only with certain specified limits (samples, emergency, not available) unless licensed by Board of Pharmacy (Code 54.1-3301, et al); BOP offers two types of licenses to physicians.



## Washington

- **Physician dispensing reimbursement protocols:** N/A
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** L&I (state fund) does not pay for medication dispensed in physician's office. L&I (state fund) policy is to not pay for repackaged drugs (effective 9/1/12).



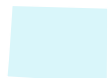
## West Virginia

- **Physician dispensing reimbursement protocols:** For workers' compensation specifically: legend drugs dispensed by physicians will not be reimbursed except in emergency situations (see WC Rules §85-20-14).
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** From practice law: the quantity (of a controlled substance) dispensed by a prescribing practitioner to his/her own patient may not exceed an amount adequate to treat patient for a max of 72 hours with no more than two 72-hour cycles dispensed in any 15-day period of time (Code of WV §60A-9-4) (Additional rules in 11CSR5).



## Wisconsin

- **Physician dispensing reimbursement protocols:** Fee schedule also applies to prescription drugs dispensed outside of a licensed pharmacy.
- **Requirement regarding use of original NDC:** N/A
- **Dispensing fee restrictions:** Dispensing fee only payable to pharmacist.
- **Physician dispensing supply limits:** N/A



## Wyoming

- **Physician dispensing reimbursement protocols:**
  - If the pharmaceutical is repackaged, as determined by the NDC for the product dispensed, reimbursement shall be calculated using the AWP of the lowest cost therapeutic equivalent product.
  - If a pharmaceutical intended for outpatient use is dispensed through the office of a medical care provider, reimbursement will be calculated equivalent to the reimbursement provided to a retail pharmacy.
  - Health care providers directly dispensing prescriptions will be paid based on the original manufacturer's NDC and the WY fee schedule for pharmaceuticals.
- **Requirement regarding use of original NDC:** Used in reimbursement.
- **Dispensing fee restrictions:** N/A
- **Physician dispensing supply limits:** N/A

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### About Optum Workers' Compensation and Auto No-Fault Solutions

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