



State of California  
Department of  
Industrial Relations



## N E W S L I N E

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### DWC Issues Notice of Rulemaking Action to Adopt Revisions to the Official Medical Fee Schedule (Pharmaceuticals) and Sets Public Hearing on April 11, 2024

The Division of Workers' Compensation (DWC) has issued a [notice of public hearing](#) to revise the Official Medical Fee Schedule provisions that govern the maximum reasonable fee for pharmaceuticals dispensed to injured workers.

The public hearing is scheduled at 11 a.m. on Thursday, April 11, 2024 in the Elihu Harris State Building, 1515 Clay Street, Second Floor - Room One, Oakland, California 94612. Members of the public may also submit written comments on the proposed amendments until 11:59 p.m. that day. The Notice of Rulemaking specifies the methods of submitting written comments.

Under the California Labor Code, the fee schedule for pharmaceuticals is based primarily upon the Medi-Cal pharmacy payment system. The proposed regulations make revisions to the Physician Fee Schedule and Pharmaceutical Fee Schedule to adopt relevant Medi-Cal revisions and related provisions of the Labor Code. Medi-Cal implemented a revised payment methodology utilizing National Average Drug Acquisition Cost, Wholesale Acquisition Cost, Federal Upper Limit, and Maximum Allowable Ingredient Cost in the drug reimbursement formula. The new Medi-Cal methodology also revises the pharmacy dispensing fee value and structure by updating the dispensing fee from \$7.25 to a two-tier dispensing fee of \$10.05 or \$13.20, depending on the annual volume of pharmacy claims processed.

The proposed regulations will be adopted under the rulemaking procedures of Labor Code section 5307.4. The rulemaking proceeding will begin with a 45-day public comment period. DWC will consider all public comments and, following the public hearing, may modify the proposed regulations for consideration during an additional 15-day public comment period.

The notice, text of regulations, initial statement of reasons and sample data files can be found on the [proposed regulations page](#).

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#)