



NEWS RELEASE

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DWC Posts Draft Revisions to the Pharmaceutical Fee Schedule on the DWC Forum and Invites Submission of Public Comments through July 3, 2020

The Division of Workers' Compensation (DWC) has posted draft revisions to the Official Medical Fee Schedule regulations that govern the maximum reasonable fee for pharmaceuticals dispensed to injured workers.

Under the California Labor Code, the fee schedule for dispensed pharmaceuticals is based primarily upon the Medi-Cal pharmacy payment system. Medi-Cal has implemented a revised payment methodology approved by the Centers for Medicare and Medicaid Services (CMS) utilizing "National Average Drug Acquisition Cost" (NADAC) based upon survey data compiled by CMS instead of the "average wholesale price" (AWP). 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 volume of pharmacy claims processed.

DWC proposes to amend the workers' compensation pharmaceutical fee schedule in accordance with the provisions of Labor Code section 5307.1, and in light of the Medi-Cal payment system changes. The proposed regulations set forth separate provisions for pharmacy-dispensed and physician-dispensed pharmaceuticals in order to implement statutory provisions with additional fee caps for some physician-dispensed pharmaceuticals.

The draft regulations, a sample excerpt of the fee data file, a sample excerpt of the dispensing fee file and background information on the Medi-Cal fee methodology changes are available on the [DWC Forum](#) webpage under "[current forums](#)." Comments will be accepted on the forum until 5 p.m. on Friday, July 3, 2020.

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](#). For general inquiries,

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