



ATTORNEYS AT LAW



**Trenier Wright**  
Senior Attorney

*Trenier Wright is currently a Senior Attorney in Homan & Stone Workers' Compensation Department. His practice is 100% devoted to Workers' Compensation cases, and he regularly appears at the Workers' Compensation Appeals Boards. Mr. Wright represents Self-Insured Employers, Public Entities, and Insurance Companies, and Third Party Administrators, both regional and national, relating to Workers' Compensation, including the defense of Labor Code Section 132a Claims and Serious and Willful Misconduct Claims.*

EVENTS



RIMS ANNUAL CONFERENCE AND EXHIBITION

- Date:  
April 21-24

- Location:  
Los Angeles Convention Center  
1201 South Figueroa Street | Los Angeles, CA 90015  
Phone: 213-741-1151

Engage with thought-provoking speakers, experience interactive educational sessions, discover the latest industry innovations, enjoy world-class networking, and much more. Whether you're implementing an enterprise risk management program, attacking cyber risks or exploring your organization's risk appetite, RIMS '13 is your event!

## CWCI: PHYSICIAN DISPENSING INCREASES WORKERS' COMP TREATMENT TIMES, COSTS

Written by ANYA KHALAMAYZER, PROPERTYCASUALTY360



California has one of the highest levels of physician dispensing of repackaged medications in the U.S., a practice that a new study shows may raise treatment costs and lengthen return-to-work time.

A decade-long study by the California Worker's Compensation Institute (CWCI) shows that between 2002 and 2011, physician-dispensed drugs made up 55 percent of all outpatient prescriptions and nearly 60 percent of total-prescription drug payments; and an independent multi-state survey showed that, as of 2011, California still had the highest level of physician dispensing across the 16 reviewed regions. In physician dispensing, a qualified doctor gives a patient the initial doses of a prescription drug during an office visit. Physicians say this improves access to prescription services and encourages compliance with prescription schedules, leading to better medical and disability outcomes.

However, the CWCI study shows that cases involving physician-dispensed repackaged drugs had 17 percent higher medical-benefit costs, 13 percent higher indemnity costs and 9 percent more lost-time days than similar claims that did not utilize the practice.

Meanwhile, the use of physician-dispensed drugs to treat injured workers grew between 2002 and 2006, when a loophole in state regulations allowed doctors who dispensed drugs in-office to obtain higher payments for the same medications that the price paid for them in a pharmacy.

According to the CWCI, injured workers in California have a choice of up to five pharmacies within 2.2 miles of the dispensing physician's office, offering evidence that injured workers are not precluded from easily obtaining their medications if not taken during a doctor's visit.

In February 2007, the state Division of Worker's Compensation tried to counter the effects of the loophole by revising the pharmacy-fee schedule in a way that would eliminate the pricing differential between pharmacy-obtained drugs and those administered by the physician.

Almost immediately, says the CWCI, both the amount of prescriptions and the price paid for them decreased, declining by more than 90 percent by 2011.

Overall, paid medical benefits on 2002 to 2011 claims with physician-dispensed repackaged drugs averaged \$6,017 (\$5,524 pre-reform, \$7,297 post-reform), or 17 percent more than the \$5,145 average for claims without these types of prescriptions (\$4,747 pre-reform, \$5,316 post-reform).

Read the rest of this article at <http://www.propertycasualty360.com/author/anya-khalamayzer-propertycasualty360>

## Calif. saw increase in lien filings after workers comp reforms: WCIRB

By: Business Insurance

California experienced a significant increase in lien filings from workers compensation service providers after the state adopted comp reforms in September, according to the California Workers' Compensation Insurance Rating Bureau.

San Francisco-based WCIRB discussed the impact of S.B. 863 on California's workers comp loss development during an actuarial committee meeting on Wednesday. The bill included several workers comp reform provisions, including a lien filing fee of \$150 and a three-year statute of limitations for new lien filings — both of which took effect Jan. 1. Another statute of limitations of 1.5 years for new lien filings will go into effect July 1.

During the fourth quarter of 2012, there were 513,129 lien filings from copy services, interpreters, medical providers and other workers comp services, according to a presentation posted on WCIRB's website. That's compared with 323,294 liens filed in the third quarter of 2012 and 463,856 liens filed in all of 2011.

WCIRB expects that 640,000 liens will be filed in 2013, according to the rating bureau's presentation. The lien filing fee is expected to reduce the projected number of workers comp liens by 30% and reduce California's comp system costs by \$480 million.



Photos courtesy of Google.