



Texas Department of Insurance

Division of Workers' Compensation

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MEMORANDUM

DATE: August 29, 2008

TO: Workers' Compensation System Participants

FROM: Howard Smith, M.D., J.D., DWC Medical Advisor
Matthew Zurek, Executive Deputy Commissioner for Policy and Research

RE: Use of Pharmaceuticals in the Texas Workers' Compensation System

The purpose of this memorandum is to inform system participants that a Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) pharmacy closed formulary for prescription medications has not yet been adopted for use in the Texas workers' compensation system.

TDI-DWC adopted the *Official Disability Guidelines – Treatment in Workers' Comp* (ODG) as the treatment guidelines, effective May 1, 2007, for non-network health care services for workers' compensation injuries. ODG recently incorporated a draft Workers' Compensation Drug Formulary (Appendix A) into its treatment guidelines; however, TDI-DWC has not adopted ODG's Appendix A as its pharmacy closed formulary pursuant to Texas Labor Code §408.028(b).

Use of the ODG

System participants should continue using the ODG treatment guidelines and continue to seek preauthorization for treatment, including prescriptions, when services fall outside or in excess of the ODG treatment guidelines. Appendix A, whether in draft or not, should be considered a tool and not a substitute for the evidence based pharmaceutical guidance included in the ODG. It is also important to understand that insurance carriers may not deny treatment or benefits solely based on a drug's status in Appendix A of the ODG.

Pharmacy Closed Formulary Rule Development

Texas Labor Code §408.028(b) requires the Commissioner of Workers' Compensation to adopt a pharmacy closed formulary. The TDI-DWC is preparing for rulemaking activity that will lead to the development of a pharmacy closed formulary and associated rules.

If there are any questions regarding the information in this memo contact Christopher Voegelé at 512-804-4856 or by email at Christopher.Voegelé@tdi.state.tx.us.