



The Use of the ODG Drug Formulary

in the Nevada Workers' Compensation System

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Agenda

- Introduction to Evidence-Based Medicine in Workers' Compensation (10 minutes)
- Nevada Senate Bill 317: What does it mean? (10 minutes)
- Demo of ODG Drug Formulary & Treatment Guidelines (20 minutes)
- Questions/Comments (10 minutes)



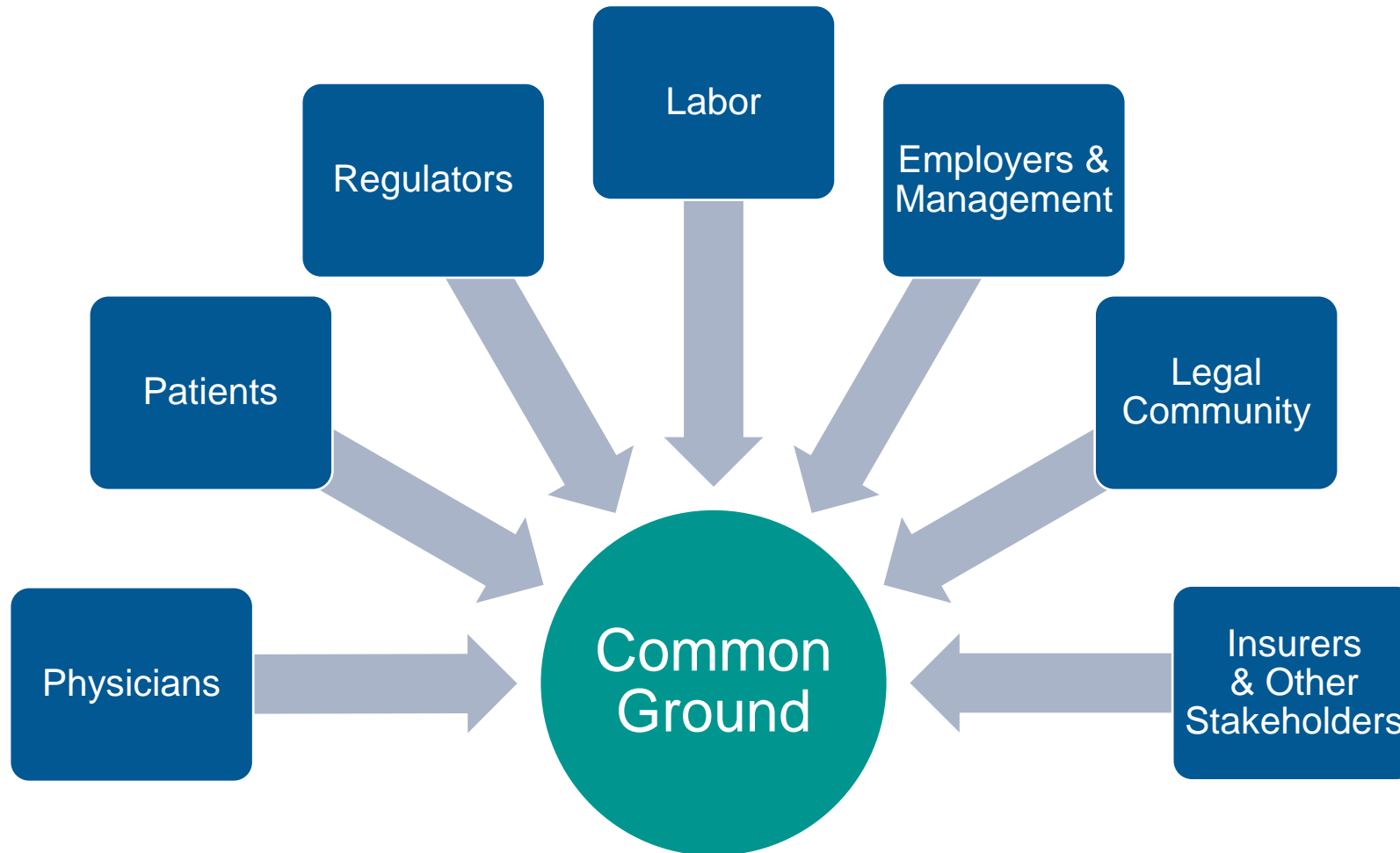


Introduction

The basics of workers' compensation
policy and evidence-based medicine



The Grand Bargain



What Is Evidence-Based Medicine?



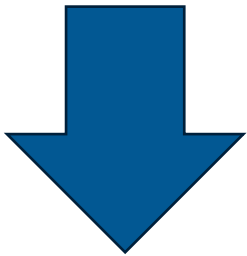
Evidence-based medicine (EBM) is “the conscientious, explicit, and judicious use of **current best evidence** in making decisions about the care of individual patients. EBM uses systematic medical literature reviews to evaluate the best evidence on specific clinical topics (evidence synthesis). The **evidence is then translated into practice by medical practitioners** who select treatment options for specific cases based on the best research, patient preferences, and individual patient characteristics (knowledge translation).”*

***Source:** Zimerman, Ariel L. “Evidence-Based Medicine: A Short History of a Modern Medical Movement.” Journal of Ethics | American Medical Association, American Medical Association, 1 Jan. 2013, journalofethics.ama-assn.org/article/evidence-based-medicine-short-history-modern-medical-movement/2013-01; and Hines, Kathleen. Evidence-Based Medicine, 17 Mar. 2020, www.hopkinsmedicine.org/gim/research/method/ebm.html.

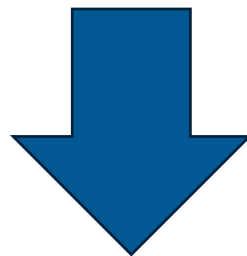


It's Just So Simple

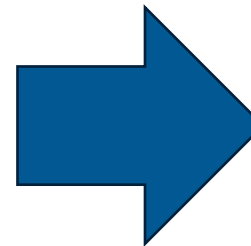
UTILIZATION + PRICING = MEDICAL COSTS



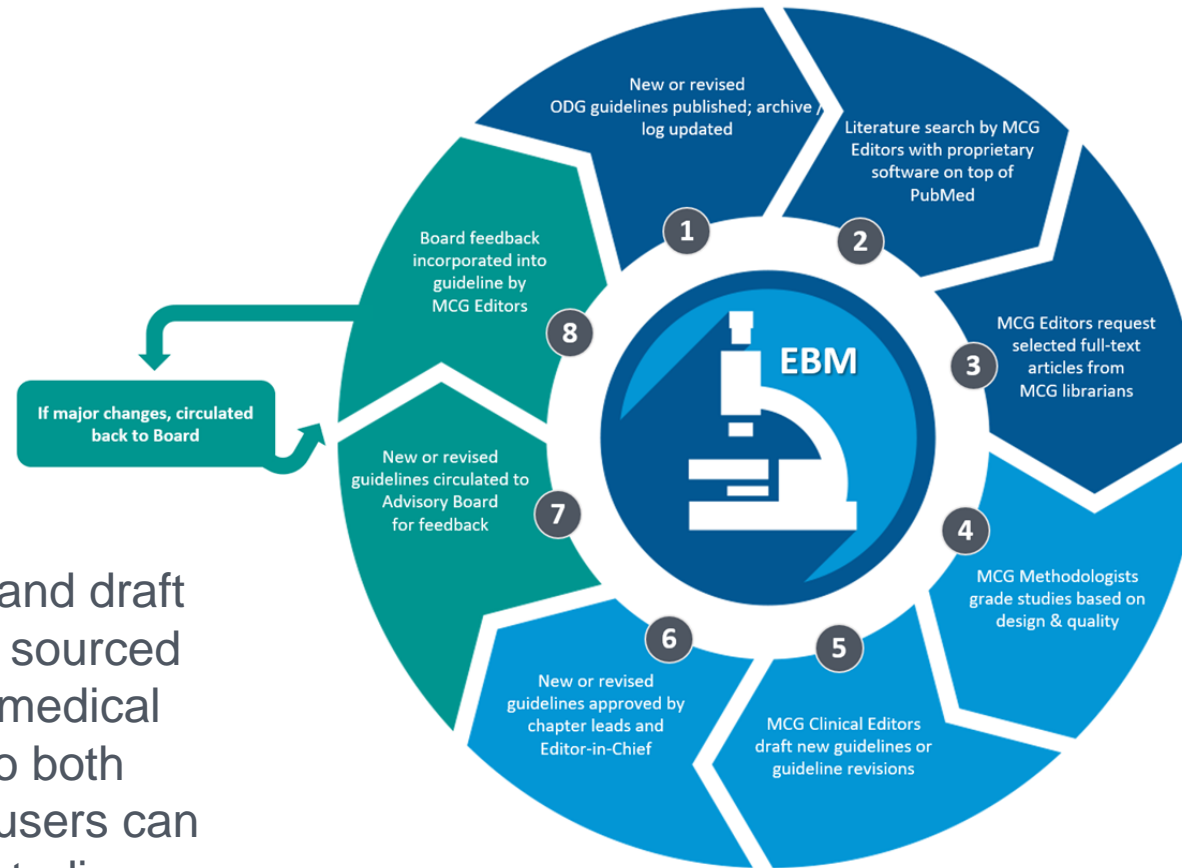
Evidence-Based Medicine



Fair, Reasonable and
Predictable Medical
Reimbursement
Schedules



The Ongoing Cycle of Evidence-Based Medicine



New, revised, and draft guidelines are sourced right into the medical literature, so both reviewers and users can consult the studies

Guideline review and update process in continuous operation, with literature searches for each topic at least annually



Cookbook?

Documenting Exceptions to the Guidelines:

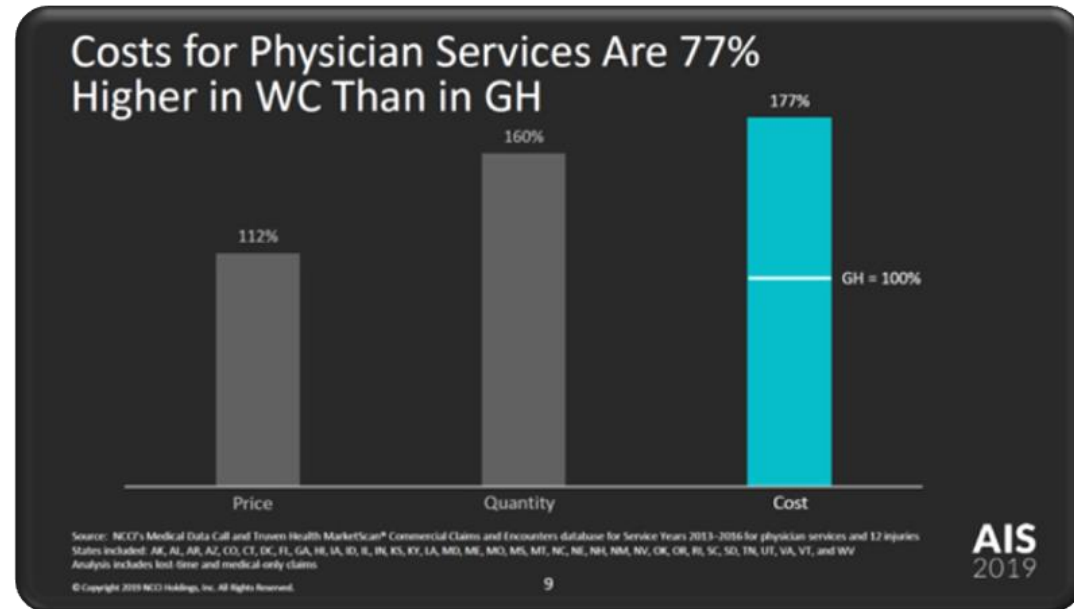
“These publications are guidelines, not inflexible proscriptions, and they should not be used as sole evidence for an absolute standard of care. Guidelines can assist clinicians in making decisions for specific conditions and also help payors make reimbursement determinations, but they cannot take into account the uniqueness of each patient's clinical circumstances.”



Why Do We Need EBM In Workers' Compensation?

2019 NCCI Study – WC vs. GH

“While prices paid for physician services in workers’ compensation overall are comparable to prices paid in group health, workers’ compensation sees greater utilization of physician services than group health.”

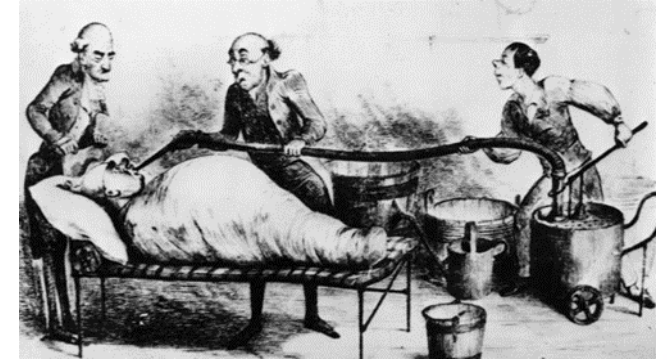


Source: Lipton, Barry, “Work Comp vs. Group Health – The Price We Pay,” (2019), <https://www.ncci.com/Articles/Pages/Insights-AIS2019-WC-GroupHealth.aspx>

Oh, and also this...

Horrrifying medical procedures we're glad history forgot:

1. Waterboarding – Used throughout the 1800s to treat mental health disorders
2. The “Cat Piano” – As a treatment to “lift one’s mood,” practitioners lined up and immobilized several cats in a long box with hammers set to strike their tails, “causing them to emit the sounds you’d expect cats to make in that situation.”
3. “Purposeful Malaria” – In 1917, Austrian doctor Julius Wagner-Jauregg injected syphilis infected patients with malaria, believing that the heat of the resulting fever would cure their condition.



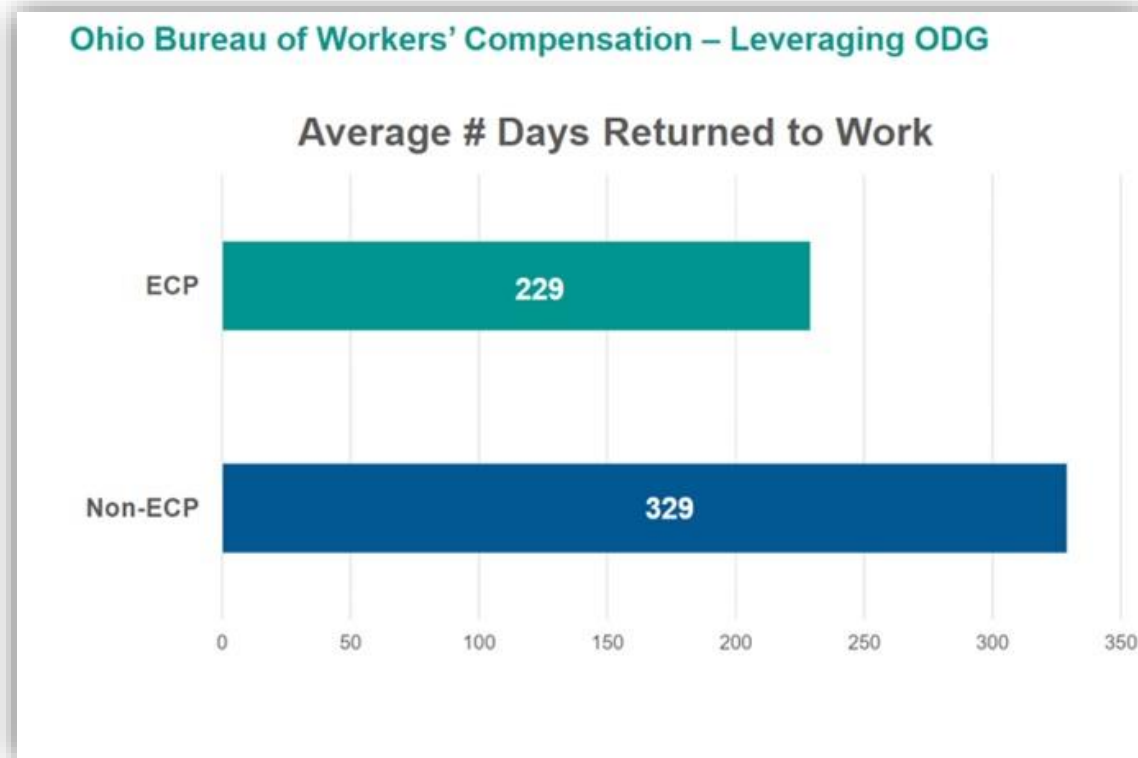
Source: Samuels, Leah, 11/6/2015, “Four horrrifying medical procedures we’re glad history forgot.”
<https://www.statnews.com/2015/11/06/alarming-medical-procedures-history-forgot/>

The Varying Methods of State Adoption

State	Adoption Method	Impact
Colorado (1991)	Guidelines mandated per legislature, not required to be evidence-based but are per the Division of Workers' Compensation (state-specific guidelines).	Was the 5th highest premium state in the 1990 Oregon Study. It ranked 33rd in the 2022 study and has ranked as well as #37 in recent cycles.
Ohio (2004)	Monopolistic system administered by OH BWC, ODG Treatment Guidelines selected by Bureau and utilized by MCO's contracted to provide care.	Medical costs decreased 60%, treatment delays reduced by 77%. Note: 2023 BWC study showing 30% decrease in disability duration despite higher reimbursement.
California (2004)	Evidence-based guidelines mandated per legislature, California DWC adopted MTUS guidelines in 2004, MTUS formulary in 2018 (based on ACOEM).	Reduced medical and pharmacy costs, still a relatively higher cost system due to longer TD duration.
Texas (2007)	Evidence-based guidelines mandated in 2005 per major legislative reforms, adopted ODG guidelines in 2007 and ODG formulary in 2011.	Reduced treatment denial rates, shortened disability duration, lowered "N drug" utilization.



Leveraging EBM for Better Outcomes



**100 Days of
Work Saved
per Claim –
Over 30%!**

More than \$2 million dollars in savings to the Ohio Bureau of Workers' Compensation!!





Pharmacy Formulary Changes in Nevada SB 317 (2025)

Summary and Stakeholder Impacts

Overview of Pharmacy Formulary Provisions



- Adopts the ODG Drug Formulary published by MCG Health
- Applies to **outpatient** prescriptions for workers' compensation claims
- Not applicable to emergency or inpatient prescriptions
- Formulary must be published online by the Administrator and publicly available



Reimbursement and Exceptions



- Insurers must not provide reimbursement for non-approved or omitted drugs
- Insurers may approve such drugs if internal procedures allow it
- Physicians can request exceptions (if drug is medically necessary) by submitting an authorization request
- Denials may be appealed to a hearings officer



Implementation Timeline



- Formulary must be adopted by July 1, 2027
- Transition window: Jan 1 – July 1, 2027
- Until January 1, 2028, an insurer may reimburse an impacted drug that is dispensed to an injured worker after July 1, 2027, if:
 - The injured worker sustained the injury on or between January 1, 2027, and July 1, 2027; and
 - The injured worker was originally prescribed the drug in connection with their claim on or between January 1, 2027, and July 1, 2027.



Impact on Physicians



- Must follow the ODG Drug Formulary rules for outpatient drugs
- Can request approval for medically necessary non-formulary drugs
- Cannot freely prescribe non-formulary drugs without prior approval
- Must be informed and proactive in exception processes



Impact on Injured Employees



- Receive coverage for formulary-listed drugs
- Can appeal denied drug prescriptions
- Must rely on physicians to request non-formulary drug approvals
- May lose access to some drugs unless appeal is successful



Impact on Insurers/Employers



- Required to enforce the ODG Drug Formulary for outpatient prescriptions
- Must deny non-approved/omitted drugs unless formally approved
- Responsible for publishing internal drug approval policies
- Must handle drug appeals and update formulary access online





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EBM in Action

A live demonstration of the
ODGbyMCG.com disability and
evidence-based medical treatment
guidelines platform.



The ODG Drug Formulary

<https://www.odgbymcg.com/state-formulary>



Questions?



For More Information



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For information about ODG by MCG's evidence-based, medical Treatment Guidelines, Duration Guidelines, or Drug Formulary, please contact us:

- **Call:** 1-800-488-5548
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- Visit our website to explore more training options & webinars at: www.mcg.com/odg

