



## Texas Department of Insurance

### Division of Workers' Compensation

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609  
512-804-4000 • 512-804-4001 fax • [www.tdi.texas.gov](http://www.tdi.texas.gov)

#### MEMORANDUM

**DATE:** July 1, 2013

**TO:** Selected Workers' Compensation Insurance Carriers

**FROM:** DC Campbell, Director  
Workers' Compensation Research and Evaluation Group

**Subject:** Notice of Pharmacy Closed Formulary Data Call on Legacy Claims

The Texas Department of Insurance, Workers' Compensation Research and Evaluation Group (REG), recently concluded a data call to selected insurance carriers for the purpose of collecting information on legacy claims that have been prescribed and dispensed at least one of the drugs excluded from the Division of Workers' Compensation's adopted pharmacy closed formulary (i.e., N-Drugs). Effective September 1, 2013, legacy claims fall under new rules that require preauthorization for all N-drug prescriptions unless an agreement is reached between the insurance carrier and the prescribing doctor on a claim-by-claim basis.

In preparation for the new rules, the REG requests that the selected insurance carriers submit to TDI current information on all legacy claims, those submitted in the March data call, as well as any additional legacy claims not reported previously. Claims with no changes after the March data call must still be reported.

**The requested data elements remain the same as the March data call. Insurance carriers must submit the requested information on all legacy claims with injury dates prior to September 1, 2011 with at least one drug excluded from the Division of Workers' Compensation's pharmacy closed formulary (i.e., N-Drugs) dispensed between September 1, 2012 and July 15, 2013.**

The Division of Workers' Compensation (DWC) is particularly interested in the number of peer-to-peer conversations and agreements reached between insurance carriers and prescribing doctors. Results from the March data call show that for insurance carriers who conducted peer-to-peer conversations with prescribing doctors, approximately 70 percent of these conversations ended with agreements on individual legacy claims. Please note that REG plans to publish the aggregated results of the July data call by insurance carrier. Similar to the previous data call, REG may subsequently ask for validation of any data submitted so please take steps to ensure that any data submitted is complete and accurate.

Each selected insurance carrier is required to provide **one** data submission per insurance carrier in the Excel matrix format provided by the REG. Multiple submissions by different insurance carrier representatives for an insurance carrier **will not** be accepted.

A hard copy of the Excel matrix and instructions for completing the matrix is included with this memo. An electronic copy of the Excel matrix and instructions can be found on the agency website at <http://www.tdi.texas.gov/wc/pharmacy/index.html>. Data should be entered as explained in the *Instruction Sheet*. Failure to submit data in accordance with the instructions provided will result in additional requests for spreadsheet corrections.

Data must be submitted via secured e-mail to [WCResearch@tdi.texas.gov](mailto:WCResearch@tdi.texas.gov) by close of business on **July 31, 2013. Incomplete or inaccurate data not corrected and resubmitted by the due date will be considered late.**

The REG will issue a final data call after the September 1, 2013 deadline to obtain complete information on the status of legacy claims subject to the pharmacy closed formulary. The results of this data call will also be published by insurance carrier.

This Notice of Pharmacy Closed Formulary Data Call on Legacy Claims is issued under the authority of Texas Labor Code §§401.024, 402.00111(b), 402.00128(b)(10) and (12) and Chapter 405. Failure to comply with a request for information is an administrative violation. Please note that pursuant to Texas Labor Code §405.004, a working paper, including all documentary or other information, prepared or maintained by the REG to conduct an evaluation and prepare a report is excepted from public disclosure under the Open Records Act – Section 552.021, Texas Government Code.

However, if any of the requested data is deemed to be privileged or of a confidential nature, please designate and label the document and the particular protected text as such. Your designation should include a cover letter identifying the applicable statutory citation or common law privilege applicable to particular text. A generalized assertion of confidentiality or privilege is insufficient. In the event a request is made by a third party under Texas Public Information Act, TDI will refer the requested documents to the Office of the Attorney General for a determination whether the requested information is privileged or confidential and may be withheld from public disclosure.

For more information, please contact [WCResearch@tdi.texas.gov](mailto:WCResearch@tdi.texas.gov).

**Selected Insurance Carriers**

Ace American Insurance Co	Old Republic Insurance Co
American Home Assurance Co	Safeco Insurance Co of America
Amguard Insurance Co	State Office of Risk Management
Arrowood Indemnity Co	Texas A & M University System
Big Spring ISD	Texas Cotton Ginner's Trust
City of Austin	Texas Department of Transportation
Facility Insurance Corp	Texas Mutual Insurance Co
Harris County	Texas Property & Casualty Insurance Guaranty Association
Hartford Fire Insurance Co	Travelers Indemnity Co
Hartford Ins Co of the Midwest	Travis County
Indemnity Insurance Co of North America	Tx Municipal League Intergovernmental Risk Pool
Insurance Co of the State of PA	United States Fidelity & Guaranty Co
Liberty Insurance Corp	University of Texas System
Liberty Mutual Fire Insurance Co	Zurich American Insurance Co
New Hampshire Insurance Co	