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June 30, 2006

Eileen Wunsch
Chief
Health Care Services Review Division
Bureau of Workers' Compensation
Department of Labor and Industry
P.O. Box 15121
Harrisburg, PA 17105

RECEIVED
2006 JUL -5 AM 9:47
INDEPENDENT REGULATORY
REVIEW COMMISSION

RE: Rulemaking #12-72: Comments on Chapter 127 Proposed Regulation Changes

Dear Ms. Wunsch:

The Pennsylvania Pharmacists Association offers the one following comment in regard to this proposed rulemaking:

127.131 Payments for prescription drugs and pharmaceuticals – generally

While we can appreciate the benefit to and the interest of the Department in identifying one uniform pricing source for pharmacy prices, we take exception to the selection of the "Drug Topics Redbook" as that selected source for the determination of AWP. Our reason for this is that The Red Book is notoriously slow in providing updates to its pricing information. Our pharmacies have compared Red Book prices and often found them to be six or more months later than actual market forces. When any drug program utilizes this source, pharmacies have found that many times they are paid less for the drug product than what they had to pay to purchase it.

As an example, if you took a trip this week and were to be reimbursed based for the gas your vehicle used and were being paid for your gas expenditure based on last September's prices, yet you still had to buy and pay today's prices at the gas pump. When a program utilizes the "Drug Topics Red Book," this in essence is what you are expecting pharmacies to do. With operating costs rising, this is getting near to impossible to do.

We would like to suggest that a better pricing source for a more current AWP would be Medispan.

In recent years, we have made sincere efforts to work with the Department for increased understanding and cooperation in the Workers Compensation program among our members and we certainly would like to continue this positive relationship. However this recommendation to exclusively use the Red Book as the pricing source is not very encouraging. We understand that allowing choice for the pricing source among insurers was not a good approach, but we ask that

in the spirit of fair and reasonable compensation to pharmacies that you reconsider this selection of a vendor in favor of our suggestion.

Thank you for taking these comments into consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Epple". The signature is fluid and cursive, with the first name being the most prominent.

Patricia A. Epple, CAE
Executive Director

Cc: Chairman Alvin C. Bush, IRRC

Senate Committee on Labor and Industry

House Committee on Labor Relations