

10/09/2024

Workers' Compensation Administration  
2410 Centre Avenue S.E.  
Albuquerque, NM 87106

ATTN: General Counsel

On behalf of Concentra Medical Centers, which operates 4 occupational clinics in New Mexico, we appreciate the opportunity to provide comments on the proposed regulations related to the pharmaceutical fee schedule. We have concerns with the proposed changes to 11.4.7.9 (D)(6) that would require pre-authorization before a Health Care Provider (Clinician) can dispense a renewal prescription beyond the initial 14-day supply. It is Concentra's position that requiring pre-authorization on all clinician-dispensed renewal prescriptions will impact patient care and patient access to medications.

Several studies have shown that patient adherence is better when a physician dispenses medications. In a 2014 report by CVS Pharmacy on medication adherence, they cite a statistic that up to a third of all prescriptions are never filled and furthermore, they report that the relative influence of prescribers on medication adherence is 34% vs. pharmacists at 26%.<sup>1</sup>

Unfortunately, a staggering number of retail pharmacies have closed their doors in the aftermath of the COVID pandemic resulting in a growing concern of inadequate patient access to retail pharmacies nationwide. This issue is even more pronounced in less populated states like New Mexico.

A recent article published in May 2024 by Taos News in Taos, NM highlighted the overall pharmacy shortage in New Mexico. According to the article, 45% of New Mexico counties are considered "Pharmacy Scarce" with less than 1.38 pharmacies per 10,000 residents. Overall, New Mexico had the ninth-highest pharmacy shortage in the U.S. at 1.84 Pharmacies per 10,000 residents per a 2021 study conducted by Becker Hospital Review according to the Taos News article.<sup>2</sup>

Another term often used to describe areas with inadequate pharmacy access is a "*Pharmacy Desert*". According to a study published in March 2024 by Health Affairs Scholar a Pharmacy Desert is defined as *communities that are both low-income and have low access to Pharmacies*. This study used census and community pharmacy data to identify Pharmacy Desert's throughout the United States. The study found that the state with the highest proportion of their adult population living in pharmacy deserts was New Mexico at 14.9%.<sup>3</sup>

In-office dispensing of medications directly to patients at no out-of-pocket cost in pharmacy scarce or pharmacy desert areas is essential for proper patient care.



An often-discussed argument against clinician dispensing, especially in the Workers Compensation industry, is the financial incentives that physicians receive when they dispense in-house. “Bad-Actor” physician practices are absolutely a concern in our industry but much less of a concern in states that have enacted proper rules, form fee schedules to formularies, to prevent bad actors from dispensing products with exorbitantly high reimbursement rates. The most effective tool used to prevent unnecessary exorbitant billing is a work comp state formulary. Concentra applauds New Mexico’s implementation of the Official Disabilities Guidelines (ODG) formulary in 2013 and feels that the enactment of this formulary has done an exceptional job of keeping physician dispensing costs down.

As reported in WCRI’s Flash Report dated June 2024, New Mexico quarterly prescription payments have decreased 37% from Q1 2018 to Q1 2023.<sup>4</sup>

Also included in this WCRI Flash Report was the following:

*Once prominent in some states, compounds became infrequent, accounting for a small percentage of prescription payments in 2023Q1. In 2023Q1, the percentage of total prescription payments paid for compounds was less than 2 percent in 23 of the 28 study states. The payment share for compounds rose to 11 percent in New Mexico in the most recent quarter. As compound transactions have higher-than-typical payments per prescription, a small number of high-priced compound prescriptions dispensed in 2023Q1 contributed to this sudden increase in New Mexico. More recent data are needed to determine if this is a trend or a fluctuation. In Kentucky, Massachusetts, and Wisconsin, the same measure was 4-5 percent (Figure 9). We previously reported downward trends in compounds, and there was little or no change in the latest years from 2021Q1 to 2023Q1, except the 10-percentage point increase in New Mexico (Table SA.9).*

ODG does not adequately address compounds and bad-actor physician practices are able to skirt the rules and profit from these high-cost medications. As other states (CO, GA, and SC) have done, we encourage New Mexico to consider implementing controls to limit the reimbursement for compound and other topical medications.

In conclusion, it is Concentra’s position that requiring pre-authorization on all clinician-dispensed renewal prescriptions will result in decreased patient access to medications. This will lead to non-adherence and prolonged recovery times. We recommend removing the proposed language that is aimed at disallowing health care dispensed renewal medications from being reimbursed by the payer without pre-authorization.

Thank you,

*Greg M. Gilbert*  
Greg M. Gilbert (Oct 15, 2024 14:13 CDT)

Greg M. Gilbert  
EVP and Chief of Government Relations

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Sources:

- 1) CVS Adherence Article: <https://www.thefreelibrary.com/ /print/PrintArticle.aspx?id=394515341>
- 2) Taos New Article: **New Mexico has 2<sup>nd</sup> Highest Pharmacy Shortage:** [https://www.taosnews.com/news/health/nm-has-nations-2nd-highest-pharmacy-shortage/article\\_9a87a171-6209-5d15-88c7-69360f7f7faa.html](https://www.taosnews.com/news/health/nm-has-nations-2nd-highest-pharmacy-shortage/article_9a87a171-6209-5d15-88c7-69360f7f7faa.html)



- 3) Wittenauer Et Al, Locations and Characteristics of Pharmacy Deserts in the United States: A Geographical Study:  
<https://academic.oup.com/healthaffairsscholar/article/2/4/qxae035/7630415>
- 4) WCRI: Interstate Variation and Trends in Workers' Compensation Drug Payments. 5<sup>th</sup> edition, June 2024.






# WC Admin New Mexico

Final Audit Report

2024-10-15

Created:	2024-10-15
By:	Janet Jacoby (janet_jacoby@concentra.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAHNAtoQ7zFpU4OZDUtW3YDujcIVdSZvnm

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