



October 26, 2017

**LOWER BUCKS COUNTY CHAMBER OF COMMERCE  
ECONOMICS AND GOVERNMENT COMMITTEE**

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**Chamber Mission:** The Lower Bucks County Chamber of Commerce is organized to advance the principles of free enterprise by providing leadership to enhance the economic climate of the business community.

**Committee Mission:** To examine, promote and monitor governmental activity affecting business in Lower Bucks County, and to encourage dialogue with elected officials, inform members and recommend action when necessary.

**Chamber Position on Pennsylvania 2017 House Bill 18**

At the recommendation of the Chamber's Legislative and Regulatory Advocacy Committee, the Chamber supports 2017 PA House Bill No. 18, which seeks to apply prescription drug formularies to Workers' Compensation, claims. To that end the Chamber resolves to append its signature to the attached letter which was drafted by the PA Chamber of Business and Industry. We support this bill for the following reasons:

- The opioid crisis is particularly severe in Pennsylvania. PA ranked *third* in a recent study of opioid use among injured workers in the years 2012-2014, **measuring 78 percent higher than the median study state.**
- Formularies have helped other states reduce opioid dependence:

- Ohio implemented its formulary in 2011 and by 2014 the number of opioid prescriptions had declined by 38 percent and **the number of Workers' Compensation patients considered opioid dependent was reduced by half.**
  - Washing State implemented formularies in 2013, and opioid costs as a percent of overall drug spending fell by 30% and is continuing to decline.
  - Other New York and California, ranking second and fourth respectively in the above survey of opioid use among injured workers, have passed formulary legislation (New York this year and California in 2015).
- Formularies are expected to reduce overall drug costs in the Workers' Compensation system.
  - Formularies are a universal, or near universal, cost management feature of private insurance. There is no reason for not applying private insurance best practices to Workers' Compensation claims.
  - The bill provides that only nationally recognized formularies will be implemented and specifies a process for exceptions to the formulary.
  - H.B. 18 also helps guarantee the quality of Utilization Review Organizations by requiring Utilization Review Organizations to obtain certifications that are not presently required.
  - In addition to other chambers of commerce, HB 18 has been considered, and is supported, by numerous organizations representing PA businesses, including:

<ul style="list-style-type: none"> <li>● Associated Builders and Contractors</li> <li>● Concentra (nation's leading provider of occupational health)</li> <li>● Insurance Federation of Pennsylvania</li> <li>● Pennsylvania Ambulance Association</li> <li>● Pennsylvania Boroughs Association</li> <li>● Pennsylvania Chamber of Business and Industry</li> <li>● Pennsylvania Council of General Contractors</li> <li>● Pennsylvania Food Merchants Association</li> </ul>	<ul style="list-style-type: none"> <li>● Associated Pennsylvania Constructors</li> <li>● Hospital &amp; Healthsystem Association of Pennsylvania</li> <li>● National Federation of Independent Business -- Pennsylvania</li> <li>● Pennsylvania Association of School Business Officials</li> <li>● Pennsylvania Builders Association</li> <li>● Pennsylvania Coal Alliance</li> <li>● Pennsylvania Defense Institute</li> <li>● Pennsylvania Independent Oil &amp; Gas Association</li> </ul>
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<ul style="list-style-type: none"><li>• Pennsylvania Manufacturers' Association</li><li>• Pennsylvania Municipal League</li><li>• Pennsylvania Restaurant and Lodging Association</li><li>• Pennsylvania School Boards Association</li><li>• Pennsylvania State Association of Township Supervisors</li></ul>	<ul style="list-style-type: none"><li>• Pennsylvania Motor Truck Association</li><li>• Pennsylvania Occupational and Environmental Medical Society</li><li>• Pennsylvania Retailers' Association</li><li>• Pennsylvania Self-Insured Association</li><li>• Pinnacle Treatment Centers</li></ul>
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