Regulatory Flexibility Analysis for Small Businesses and Local Governments.

1. Effect of rule:

Small businesses and local governments will be affected by the rule only insofar as carriers and pharmacies will need to comply with the notification requirements.

2. Compliance requirements:

The proposed rule restores language that makes clear that carriers must notify the pharmacy that there is a network – and if the pharmacy thereafter fills prescription, the carrier is not liable for payment if the notification process was followed.

3. Professional services: Small businesses and local governments affected by the rule will not need any new professional services to comply with this rule.

4. Compliance costs:

Because this proposal requires carriers to utilize an already established notification procedure, there should be little increased costs associated with the proposal.

5. Economic and technological feasibility: It is economically and technologically feasible for small businesses and local governments to comply with the proposed amendments.

6. Minimizing adverse impact: The regulation is being proposed to restore language to the regulation that was previously removed to both allow carriers to require a pharmacy network be used and to protect non-
network pharmacies by requiring them to use the notification process. This provides predictability and a clear process for carriers and pharmacies to follow where previously no guidance existed.

7. Small business and local government participation: The Board has solicited comments for the proposal on its website from all participants in the workers’ compensation system, including small businesses and local governments.

The Board has sent an electronic communication to self-insured employers describing the proposal to the insurers, TPAs, and self-insured employer subscribers for Board updates on June 8, 2022.