

Nevada
Workers' Compensation Law Blog
NEWS & UPDATES ON WORKERS' COMPENSATION LAWS & HELPFUL INFORMATION ON THE CLAIMS PROCESS

Prescription Drugs and Nevada Workers' Comp Claims

September 16, 2011 by Virginia Hunt

Part A

The NCCI is an organization that keeps statistics on work injuries in the various states. A recently released August 2011 [NCCI Research Brief](#) by Lipton, Laws and Li focused on prescription costs. According to this study, prescription drugs are 19% of the medical costs on an average claim. The study showed that it was not the price of drugs that was responsible for increased prescription costs. Instead, increased drug costs were attributable to doctors prescribing more drugs and more expensive drugs. Also responsible was the growing trend in many states by treating doctors to sell prescription drugs in their offices. Additionally, the study also found that physicians who sold drugs in their office were charging more for drugs than local pharmacies,

This trend, which is particularly popular with California physicians, hasn't caught on in Nevada yet. According to NCCI's statistics, Nevada presently has lower prescription costs per medical claim than most other states, and relatively few doctors in Nevada sell the drugs they prescribe.

The NCCI study did not suggest that doctors were doing anything wrong by selling prescription drugs to patients, or that they were wrong in selling drugs at prices higher than pharmacies. The study mentioned why pharmacies are able to sell drugs at lower prices, and the study suggested that some doctors wanted

to dispense small amounts of drugs for the benefit and convenience of their patients. The study listed wanting to make more money as a reason doctors were now dispensing prescriptions. However, the study did not fully explore the subject of physician profits from this practice.

The negotiated fees paid to doctors for their treatment of injured workers on Nevada claims seems ridiculously low to me. Unfortunately, some physicians try to make up for low rates by scheduling more and more patients in a day. In Nevada, most insurers won't keep a physician on their provider list unless the physician agrees to accept less than what the Nevada fee schedule allows. I wonder whether the profit margins earned by Nevada physicians on workers' compensation claims will cause them to start selling prescription drugs to their patients.

The NCCI study didn't delve into the ethics of physicians establishing a secondary profit center at their offices selling prescribed medication to patients. I haven't researched this topic, so I don't know whether there are existing rules or regulations that govern the conduct of physicians who do this. It just doesn't seem right to me, though. The study also found that doctors were prescribing more drugs and more expensive drugs. Even if the physician is completely ethical, won't patients wonder whether the physician is prescribing a particular medication just for the purpose of selling it? Maybe I've been lucky with the physicians I've seen in Las Vegas for my own health care. Many have given me free samples of prescribed medications so that I could avoid or reduce prescription costs.

For me, the NCCI Prescription Drug Study, 2011 Update, raised many questions about the future role of physicians on workers' compensation claims. If Nevada physicians join the trend in dispensing prescriptions from their offices, it is likely that medical costs on the claim will increase. Injured workers do not have to pay for prescriptions on an open, accepted claim in Nevada. However, if claims costs increase for insurers, insurers will be looking for ways

to save money. That could mean rushing the injured worker through second-rate medical care, denying authorizations for diagnostics or treatment, or trying to short-change the claimant on his PPD award or his vocational program.

Stay tuned for Part B on Prescription Drugs and how to handle problems obtaining necessary prescriptions on your claim. Meanwhile, I would like to hear your opinions on the subject of physicians selling prescription drugs that they prescribe.