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September 18, 2024

Information Bulletin No. 018

To All PCRB Members:

PA Supreme Court Review of Key Case Will Determine Use of Red Book In Determining Pharmaceutical Payments

Recently, the Pennsylvania Supreme Court has [agreed to review](#) a significant dispute over the appropriate proper prescription drug fee schedule for resolving workers' compensation payment disputes. The outcome of this review could reshape the prescription drug pricing standards in Pennsylvania workers' compensation cases.

The case to be reviewed, *Federated Insurance Co. v. Summit Pharmacy*, involves a \$72,499.88 payment dispute regarding medications provided to Karen Link for her work-related injuries. Review the Supreme Court's [complete docket here](#).

At issue is the use of the Red Book, a privately published pharmaceutical pricing index, which the Bureau of Workers' Compensation has relied on for determining average wholesale prices (AWP). The Commonwealth Court ruled in January, 2024 that Red Book values do not accurately reflect AWP, calling for a new, nationally recognized schedule. Federated Insurance petitioned the state Supreme Court for review, which was granted in February.

The Supreme Court will address whether the Commonwealth Court overstepped its authority, misinterpreted the AWP, and potentially invalidated regulations that use the Red Book for drug pricing disputes in Pennsylvania's workers' compensation system.

Other Sources: [Law360](#), [WorkCompCentral](#)

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