Tricks of the Trade: Formulary Management in a Health System

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April 11, 2014

Objectives

• Describe options for formulary structures and Pharmacy and Therapeutics (P&T) Committees in health systems
• List strategies to overcome barriers for optimal standardization and integration
• Describe how to share resources to improve efficiency when managing a health system formulary

Main Campus
~1300 beds

Regional Hospitals ~2500 beds
(CCHS= 10 hospitals)

FHC
Elyria Family Health Center
Westlake Family Health Center
FHC
Lorain Family Health and Surgery Center
FHC
Lakewood Family Health Center
FHC
Strongsville Family Health and Surgery Center
FHC
Brunswick Family Health Center
FHC
Wooster Family Health Center
FHC
Independence Family Health Center
FHC
Solon Family Health Center
FHC
Chagrin Falls Family Health Center
FHC
Beachwood Family Health and Surgery Center
FHC
Willoughby Hills Family Health Center
FHC
Fairview Hospital
Lakewood Hospital
FHC
Lutheran Hospital
FHC
Ashtabula County Medical Center
FHC
Euclid Hospital
FHC
Hillcrest Hospital
FHC
South Pointe Hospital
FHC
Marymount Hospital
FHC
Cleveland Clinic

Integrated Health System serving 5.1 million patients

2012 Pharmacy Purchases

Source: Pharmacy Purchasing Datawarehouse YTD through Q4 2012

$423M

2012 Pharmacy Purchases

Other 45.9M 11%
Inpatient 141.1M 33%
Oncology 168.7M 40%
Ambulatory 67.4M 16%

Options for Formulary

• Type
  — Open
  — Closed
  — Restricted

• Setting
  — Inpatient
  — Outpatient (Infusion Centers, Clinics)
  — Ambulatory (Retail)
Options for Formulary

- Hospital-specific
- Health-system *(Integrated)*

Drivers for Integrated Formulary

- Integration
  - Physicians and other health care professionals at multiple hospitals (rotating)
- Pharmacy Informatics/Automation
  - Electronic medical record drug file build
  - Restriction and alert screens/Best Practices
- Care Paths
- Cost Savings
  - Maximize health-system contracts

Prior to January 2010

- Individual Medical Executive Committees (MEC) at each Cleveland Clinic Hospital
- Health-System P&T Committee
  - No authority over formulary decisions
  - No health-system formulary
- Individual P&T Committees at each Cleveland Clinic Hospital
  - Authority over P&T decisions
  - Individual hospital formularies

Strengths

- Pharmacy infrastructure
  - Leadership
  - Drug Information Center
  - Informatics/Automation
  - Contracting
  - Finance
- Single electronic medical record (EMR)
- Technology

Barriers

- Bi-law and policy changes (MEC)
- Employed versus private practice physicians
- Loss of autonomy at each hospital
- Different patient populations
- Different formulary request forms and monograph templates
- Timeliness of formulary reviews/decisions
- Communication of formulary decisions

Beginning January 2010

- Individual Medical Executive Committees at each Cleveland Clinic Hospital
- CCHS Medical Staff P&T Committee
  - Members are P&T Chairs from each Cleveland Clinic Hospital and Formulary Specialty Panel Chairs
  - Neuro
  - CV
  - Critical Care
  - IM
  - Oncology
  - Pediatrics
  - Transplant
  - Antimicrobial
  - Medication-Related Policy and Procedure
- Cleveland Clinic Local P&T Committees
- Implementation of CCHS Medical Staff P&T Committee Decisions
- Adverse Drug Reaction Reporting
- Medication Errors
- Local Policies
Roles of the Committee and Panels

**CCHS Medical Staff P&T Committee**
- Review/make final decision on recommendations from all Specialty Panels
- Medical Staff, Pharmacy, and Nursing
- Meet once per quarter

**CCHS Formulary Specialty Panels**
- Medical Staff/pharmacists that are experts in medical subspecialty
- Representatives from across health system
- Meet once per quarter
- Recommendations are sent to Medical Staff P&T Committee

**Local P&T Committees**
- Cannot change any decision made by the Medical Staff P&T Committee
- Can be more restrictive if needed

**CCHS Formulary and CCHS Medical Staff P&T Committee**
- Key: Line item review
  - 80% of medications (by generic name) were on all hospitals formularies
  - Long-term initiative
- Closed formulary
  - Restrictions
- Medications administered to:
  - Inpatients
  - Outpatients (e.g., vaccines, biologic infusions)
- Formulary does not include medications dispensed from owned health-system ambulatory pharmacies

**Key: Standardized Formulary Request Form**
- Only physicians can request a medication to be reviewed for formulary
  - No medical residents, fellows, nurses, respiratory therapists, etc.
- Pharmacy can be proactive
- **Online request form** (SharePoint site)
- Only takes one request form to initiate review for entire health-system

**Key: Need Infrastructure to Support Specialty Panels**
- Formulary request form is reviewed by the CCHS Drug Information Center (point person)
  - Inpatient/Outpatient versus Retail
  - Completeness of request form
- Assign to appropriate Specialty Panel
  - Medication may be reviewed by more than one Specialty Panel
- Lead Pharmacist for each Panel
- Assign a health-system pharmacist (including residents) to prepare the drug evaluation monograph
Key: Standardized Template for Drug Evaluation Monograph

- Material provided by manufacturer may or may not be used
  - Data on file, if needed
  - Monographs written from scratch
- Key components
  - Efficacy/Outcomes
  - Safety, including black box warnings/REMS
  - Cost (implications for the entire health system)
  - Reimbursement (Inpatient versus Outpatient)

Key: Formulary Recommendations and Voting

- Author of monograph presents monograph including recommendation to Specialty Panel
- Specialty Panel makes a motion
- Motions: Add/Add with restrictions/Deny
- Need a quorum and majority vote (equal between main campus and regional hospitals)
- Recommendations then goes to Medical Staff P&T Committee for final decision
- Meeting minutes are extremely important

Key: CCHS Medical Staff P&T Committee Decisions (2013)

- Added
  - 8%
- Added with Restrictions
  - 17%
- Change in Current Restriction
  - 25%
- Not Added
  - 10%
- Deleted
  - 6%
- Declined to Review
  - 34%

N=64

Key: Expedited Review Process

- Entire formulary review process takes a minimum of 3 months based on when the Specialty Panels and Medical Staff P&T Committee meet, but process could take up to 6 months
- Expedited review process for medications that meet select criteria
  - Impact on patient care

Key: Appeals Process

- Requestors (physicians) are not present at the initial discussion of request at Specialty Panels
- If formulary request is denied (medication is not added to the CCHS Formulary), requestor can appeal decision
- Written request to Chair of the Specialty Panel (where the request was originally reviewed)

Appeals Process Specifics

- Rationale for why there is disagreement with the CCHS Medical Staff P&T Committee decision
- Additional evidence-based medicine not part of the original request
- Any guideline or practice changes since the original request was reviewed
- Specialty Panel Chair may:
  - Invite the appealing requestor to the next Specialty Panel Meeting
  - If clarification or further information or insight is required
  - Table the appeal for a designated period of time
  - Deny the appeal
Key: Standard Implementation Process

- Drug use evaluation may be requested after period of time (6 months to 1 year)
- REMS components/process
- Computerized prescriber order entry system (CPOE) drug files and alerts
  - Drug Change Control Process
  - Online form (SharePoint); Drug Information Center initiates
  - Approves other EMR drug file changes
- Enterprise Medication Order Sets
- Pharmacy carousels or automated dispensing cabinet storage or both

Cost Savings

- Since inception of CCHS Medical Staff P&T Committee
  - Class Reviews
  - Consistent therapeutic interchanges
    - Proton pump inhibitors, Inhaled corticosteroids/long-acting beta agonists, SHT3 antagonists, ESAs
    - IV to PO programs
    - Drive market share needed for select contracts
  - Removal of medication from formulary (levalbuterol)
  - Generic utilization (same manufacturer)
  - Decreased non-formulary use

Cost Savings

- Shared resources and improved efficiency
  - Drug Information Center
  - Location of CCHS Formulary (electronic)
  - Pharmacy Informatics/Automation
  - Contracting and Buying
  - Finance and Billing
  - Medication Safety
  - Pharmacists
Challenges: Solutions

- Attendance at meetings (quorum)
  - Changed membership when needed
  - Send out motions via e-mail (electronic vote)

- Non-formulary process
  - "True non-formulary"

- Formulary restrictions
  - Regional hospitals may not have consult service
    - For example, restrict a medication to Neurology and a regional hospital does not have a neurology service
    - Need to identify prior to making recommendation at Specialty Panel

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Challenges: Solutions

- Implementation at Local Level
  - Communication
    - P&T Local Summary Prepared by the CCHS Drug Information Center
  - Decision implemented at each hospital?
  - Different patient populations
  - Local hospital can choose not "stock" medication if not applicable to patient population

- Timeliness
  - 3 to 6 months for the review
  - Online formulary request notifies requestor of Specialty Panel and CCHS Medical Staff P&T Meeting dates (transparency)

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Summary

- Several options exist for formulary structures and Pharmacy and Therapeutics (P&T) Committees in health systems
- Strengths and barriers need to be evaluated before selecting formulary management system/process
- Advantages to health-system P&T Committee include integration, efficiency, and cost savings
- Challenges to health-system P&T Committees include loss of certain amount of autonomy, length of review and approval process, attendance at meetings, and overall communication of decisions

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When you have seen one formulary system and P&T structure, you have seen one formulary system and P&T structure