Tricks of the Trade: Formulary Management in a Health System

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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)
Cleveland Clinic
Integrated Health System serving 5.1 million patients

- Elyria Family Health Center
- Westlake Family Health Center
- Lakewood Hospital
- Lakewood Family Health Center
- Fairview Hospital
- Strongsville Family Health Center
- Brunswick Family Health Center
- Independence Family Health Center
- Wooster Family Health Center
- Lorain Family Health and Surgery Center
- Lutheran Hospital
- Marymount Hospital
- Cleveland Clinic
- South Pointe Hospital
- Ashtabula County Medical Center
- Euclid Hospital
- Willoughby Hills Family Health Center
- Hillcrest Hospital
- Beachwood Family Health and Surgery Center
- Solon Family Health Center
- Chagrin Falls Family Health Center
- Fairview Hospital
- Lutheran Hospital
- Ashtabula County Medical Center
- Euclid Hospital
- Willoughby Hills Family Health Center
- Hillcrest Hospital
- Beachwood Family Health and Surgery Center
- Solon Family Health Center
- Chagrin Falls Family Health Center
2012 Pharmacy Purchases

Total: $423M

- Inpatient: $141.1M (33%)
- Oncology: $168.7M (40%)
- Ambulatory: $67.4M (16%)
- Other: $45.9M (11%)
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

<table>
<thead>
<tr>
<th>CCHS Medical Staff P&amp;T Committee</th>
</tr>
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<tbody>
<tr>
<td>• Review/make final decision on recommendations from all Specialty Panels</td>
</tr>
<tr>
<td>• Medical Staff, Pharmacy, and Nursing</td>
</tr>
<tr>
<td>• Meet once per quarter</td>
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</table>

<table>
<thead>
<tr>
<th>CCHS Formulary Specialty Panels</th>
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</thead>
<tbody>
<tr>
<td>• Medical Staff/pharmacists that are experts in medical subspecialty</td>
</tr>
<tr>
<td>• Representatives from across health system</td>
</tr>
<tr>
<td>• Meet once per quarter</td>
</tr>
<tr>
<td>• Recommendations are sent to Medical Staff P&amp;T Committee</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Local P&amp;T Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cannot change any decision made by the Medical Staff P&amp;T Committee</td>
</tr>
<tr>
<td>• Can be more restrictive if needed</td>
</tr>
<tr>
<td>Medical Staff P&amp;T Committee: Restricted to Cardiology</td>
</tr>
<tr>
<td>Local P&amp;T Committee: Restricted to select Cardiologists</td>
</tr>
</tbody>
</table>
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 pro-active

• **Online request form** (SharePoint site)

• Only takes one request form to initiate review for entire health-system
STANDARD OF CARE: **
(Please state the current standard of care.)

REPLACING EXISTING DRUG(s) **
(Will this drug replace any formulary medication? If so, what specific formulary medication(s)?)

Efficacy Criteria: **
[Defined as a comparison to placebo, standard of care (drugs or procedures), and/or current formulary agents.]

Safety Criteria: **
[Defined as drugs with a narrow therapeutic index, high allergy potential/intolerances, severity & reversibility of adverse reactions, potential for medication errors as compared to current formulary medication or standard of care.]

Cost Criteria: **
[Defined as comparative acquisition costs, comparative costs of therapy, ancillary costs, total drug cost to the institution, outpatient acquisition cost and price, and pharmacoeconomic analysis if available as compared to current formulary medication or standard of care. If necessary, please contact the Department of Pharmacy to]
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
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
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medication Name</td>
<td>Please enter the name of the medication.</td>
</tr>
<tr>
<td>Location</td>
<td>(Select One)</td>
</tr>
<tr>
<td>Type of Request</td>
<td>(Select One)</td>
</tr>
<tr>
<td>Implementation Date</td>
<td>Date this change needs to be implemented by. Provided by Drug Information</td>
</tr>
<tr>
<td>Formulary?</td>
<td>Provided by Drug Information</td>
</tr>
<tr>
<td>Add to Preference List</td>
<td>Provided by Drug Information</td>
</tr>
<tr>
<td>Alternative Alert Screen Needed?</td>
<td>Provided by Drug Information. If YES, see corresponding EPIC Issue.</td>
</tr>
<tr>
<td>Med classified as &quot;new tech&quot;</td>
<td>Provided by Drug Information. If yes, provide standard dosing.</td>
</tr>
<tr>
<td>Med classified as chemo?</td>
<td>Provided by Drug Information.</td>
</tr>
<tr>
<td>Med Classified as &quot;SAD&quot; - Self Administerable Drug?</td>
<td>Provided by Drug Information. If yes, provide standard dosing.</td>
</tr>
<tr>
<td>Field</td>
<td>Source</td>
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<td>--------------------------------------------</td>
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<tr>
<td>Stored in Main Pharmacy Carousel System?</td>
<td>Provided by the Purchasing Department</td>
</tr>
<tr>
<td>Main Pharmacy Inventory Min/Max</td>
<td>Provided by Drug Information</td>
</tr>
<tr>
<td>Stored in Secondary Carousel System?</td>
<td>Provided by Purchasing</td>
</tr>
<tr>
<td>Secondary Pharmacy Inventory Min/Max</td>
<td>Provided by Drug Information</td>
</tr>
<tr>
<td>HCPCS Code</td>
<td>Provided by the Billing Department</td>
</tr>
<tr>
<td>Bill Code Qty</td>
<td>Provided during EPIC Implementation</td>
</tr>
<tr>
<td>Bill Code Unit</td>
<td>Provided during EPIC Implementation</td>
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<tr>
<td>CE-ADS</td>
<td>Provided during EPIC Implementation</td>
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<td>CDM</td>
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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, 5HT3 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
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)
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
When you have seen one formulary system and P&T structure, you have seen one formulary system and P&T structure.
Cleveland Clinic

Every life deserves world class care.