PHARMACY AND THERAPEUTICS COMMITTEE
2016 PROGRAM DESCRIPTION

Purpose
The purpose of MAHP Pharmacy and Therapeutics Committee is to develop, monitor and maintain a prescription drug formulary that addresses the health care needs of Plan members in a cost effective manner while ensuring quality of care. The Pharmacy and Therapeutics Committee is responsible for monitoring the quality and utilization issues related to the formulary developed.

Governing Body
The governing body of Medical Associates Clinic, P.C. is the Board of Directors. This Board assumes ultimate responsibility for establishing, maintaining, and supporting the Quality Improvement and Utilization Management Committees and their subcommittees, which include the Pharmacy and Therapeutics Committee. Information, recommendations and decisions from the Pharmacy and Therapeutics Committee flows to the Utilization Management Committee, the Quality Improvement Committee and the Medical Associates Clinic, P.C. Board of Directors.

Scope
The Pharmacy and Therapeutics Committee conducts activities related to the inclusion and exclusion of drugs on the MAHP formulary. The Committee utilizes relevant therapeutic, clinical, pharmacological and pharmacokinetic criteria when evaluating drugs for formulary inclusion and exclusion. Changes in the Formulary are communicated to participating providers and area retail pharmacies when applicable.

In addition, the Committee conducts continuous monitoring of activities related to quality and utilization. Results are reported to the Utilization Management Committee and the Quality Improvement Committee. Through the evaluation of utilization and quality, the Pharmacy and Therapeutics Committee identifies educational needs of the MAHP practitioners and members. Educational programs are then developed to meet the needs identified.

Membership & Attendance
Membership consists of the following persons:
- Network practitioners representative of at least three specialties
- Network Pharmacist
- MAC/MAHP Chief Medical Officer
- MAHP Director of Health Care Services
- MAHP Manager of Health Care Services
- Pharmacy Benefits Manager Pharmacist
The Chairperson shall be a network practitioner. The MAC/MAHP Chief Medical Officer selects members for three (3) year terms with one-third of the membership rotating each year. Members can be re-appointed for a successive term. Attendance is expected at 75% of meetings and excused absences count as attendance. Members not meeting this minimum attendance requirement will be subject to replacement as determined by the MAC/MAHP Chief Medical Officer.

Goals & Objectives
The goals and objectives of the Committees are to:
- Develop and maintain a drug program including a drug formulary which is reflective of practitioners prescribing patterns, is cost-effective, focuses on drug efficacy, promotes quality of care, and abides by regulatory bodies.
- Provide education to practitioners on the appropriate utilization of drugs as it relates to total patient care.

Duties of the Pharmacy & Therapeutics Committee
The committee reviews and makes decisions about all classes annually and as needed. When reviewing the classes the committee considers the following:
- A drug formulary, which is reflective of practitioner prescribing patterns and focuses on drug efficacy and quality of care, as well as cost-effectiveness.
- Input received from MAHP practitioners as to requested changes to the Drug Formulary.
- Compliance to the Drug Formulary and its financial impact on the Organization.
- Provide recommendations to the Medical Associates Clinic, P.C. Board of Directors regarding the implementation of cost-effective changes in policy and benefit structure.
- Review utilization concerns and forward recommendations for corrective action to the Utilization Management and Quality Improvement Committees and Medical Associates Clinic, P.C. Board of Directors.
- Monitor drug utilization concerns including use of generics, per member per month costs, average ingredient costs, and prescriptions per member per year.
- Review of evidence based information from various agencies (i.e., FDA, government, medical associations, national commissions, peer-reviewed journals, compendia, national resources, etc.) After review the following criteria is applied to the drug class:
  - Preferred and at what level
  - Exception process available for members
  - Criteria to meet if a PA is required
  - Substitutions whether automatic or with physician permission
  - Limiting access to drugs in certain classes
  - Looking at evidence regarding preferred status medications having similar or better results than other medications in the same class.
The committee also:

- Monitors patient safety issues such as drug recalls and market withdrawals. See HCS PP # 83 Drug Recalls.
- Involved in the update and development of the Pharmacy Policies and procedures.
- Appraise at least annually the Pharmacy and Therapeutics Committee Program Description. The appraisal, conducted in conjunction with the Utilization Management and Quality Improvement Committees, should identify components of the Program Description that need to be instituted for the upcoming year, altered, or deleted. Resultant recommendations when instituted should assure that the program is comprehensive, effective in managing drug utilization, and supports the Continuous Quality Improvement process.

**Developing the Drug Formulary**

The Drug Formulary is the cornerstone of drug therapy quality assurance and cost containment efforts. The Drug Formulary process has been successfully used by hospitals and managed care organizations to provide comprehensive, cost-effective pharmacy services.

The Drug Formulary document was developed by the Medical Associates Health Plans Pharmacy and Therapeutics Committee (P&T Committee). This committee, composed of physicians from various medical specialties, reviewed the medications in all therapeutic categories based on safety, effectiveness, and cost and selected the most cost-effective agent(s) in each class.

Formulary development and maintenance is a dynamic process. The P&T committee will regularly review new and existing medications to ensure the Formulary remains responsive to the needs of our members and providers. The Formulary will be updated periodically by newsletter notification.

**Drug Formulary Medications**

The Drug Formulary is a listing of medications marketed at the time of the Formulary printing and intended for use by the health plan physicians and pharmacy providers. Unless exceptions are noted, all forms (tablet, capsule, liquid, topical) and strengths of a drug product are included in the Formulary and will be covered by the plan.

The Drug Formulary applies only to prescription medications dispensed to outpatients by participating pharmacies. The Formulary does not apply to inpatient medications or to medications obtained from and/or administered by a physician.

**Generic Drug Policy**

Specified Drugs which have generic equivalents are covered at a generic reimbursement level, and should be prescribed and dispensed in the generic form. These drugs are indicated by the work (generic) in the Drug Formulary. Maximum
Allowable Cost (MAC) limits of reimbursement have been established for these drugs and are listed in the health plan MAC list. Providers are reminded of the following:

1. When generic substitution conflicts with state regulations or restrictions, the pharmacist must gain approval from the prescriber to use the generic equivalent.
2. Pharmacists are reminded that a drug preceded by the word generic indicates one or more (but not necessarily all) forms of the drug are subject to a MAC.
3. If a physician indicates “Dispense As Written” (DAW), there must be a medical reason to support use of the multi-source brand (MSB) medication.
4. If a member insists on the brand name product for a prescription of a medication included in the health plan MAC list, the patient must pay the applicable copay and may also be responsible for the entire cost of the brand name product and the health plan MAC amount (ancillary charge) if there is no medical documentation to support use of the MSB. This is due to MSB drugs being considered non-formulary.

**Brand Interchange Policy**
This policy requests that pharmacists dispense a preferred manufacturer’s version of a limited number of dual-marketed brand name products. The preferred products are included in the Formulary, whereas the non-preferred products are non-formulary for plan members. Products affected by the Brand Interchange Policy are designated with the pound (#) symbol. For summary reference, refer to the Brand Interchange List.

**Unapproved Use of Formulary Medications**
The member’s Certificate of Coverage states medications will be eligible for coverage only if they are FDA approved medications used for non-experimental indications. Non-experimental indications include the labeled indication(s) (FDA-approved) and the other indications accepted as effective by the balance of currently available scientific evidence and informed professional opinion. Experimental and investigational drugs, and drugs used for cosmetic purposes, are not eligible for coverage.

**Prescriptions for Non-Formulary Medications**
Physicians are expected to comply with the Drug Formulary when prescribing medications for plan members. If a pharmacist receives a prescription for a non-Formulary medication, the pharmacist will attempt to contact the physician to request a change to a Formulary product. If the physician is unwilling to change, or is unavailable, the pharmacist will dispense the prescription as written. The P&T Committee will monitor prescriptions written in non-conformance with the Formulary and contact physicians who prescribe non-Formulary products to request compliance.

**Copay Determination**
The member will pay only the applicable copay for the prescription unless one of the following conditions applies:
1. If a prescription is written for a non-formulary medication, the member may be responsible for the entire cost of the prescription.

2. The member requests a non-formulary medication from the physician. The physician should write “REQUESTED BY MEMBER” on the face of the prescription. In this case, the member must pay for the entire prescription and it is not necessary for the pharmacist to contact the physician.

3. If a physician indicates “Dispense As Written” there must be medical documentation to support use of non-formulary drug.

4. If a member insists on the brand name product for a prescription of a medication included in the health plan MAC list, the patient must pay the applicable copay and will also be responsible for the entire cost of the medication.

**Formulary Exception and Prior authorization Process**

The physicians consulted in Formulary development attempted to include medication to all therapeutic needs. If a patient requires medication that is not covered, the physician may request an exception to allow payment for the not covered medication. It is anticipated that such exceptions will be rare, and physicians should be able to find a Formulary medication for the vast majority of therapeutic needs. However, if a physician wishes that a member receive a non-covered product, the physician must call the health plan or submit a letter explaining the necessity, past therapeutic failures, and patient identification (name, address and member number). Exceptions will be based on Medical Necessity – Case Managers will obtain information from the prescribing physician:

a. Criteria will be used in making a decision on the requested exception.

b. Practitioners and / or pharmacists will be used in making the determination if applicable.

c. The request will be handled in a timely manner according to established standards and policy. See HCS PP # 82 Prior Authorization for Prescription Drugs.

d. If request is denied, there will be communication to the member and prescribing provider on the reason why it was denied and if an exception is not granted, then the appeal process is given.

To promote the most appropriate utilization, selected high-risk or high-cost medications require prior authorization by the health plan to be eligible for coverage. Prior authorization criteria have been established by the P&T Committee with input from plan physicians and consideration of the current medical literature.

**Committee Operation**

Meetings are held quarterly per year, or more frequently as deemed necessary by the Chairperson and/or MAC/MAHP Chief Medical Officer. The confidential nature of Pharmacy and Therapeutics Committee materials will be respected. Annually, non MAC/MAHP members will sign a “Confidentiality Agreement”. MAC/MAHP physicians and staff participate in an annual compliance program. The P & T Committee minutes
will reflect all Committee decisions, discussions, and actions. Minutes will be produced and distributed prior to the next P & T Committee meeting. Any changes and decisions made in the P & T meetings are communicated to MAHP practitioners and staff. This is completed by the MAHP Notes (formerly known as the CMO Notes) which are sent to all of the practitioners and staff. The staff also receives an email with the update within 24 hrs. of the meeting to ensure they are aware of the changes. This update includes any changes to formulary, PA requirements, physician specialty edits, etc. Once they are approved, the minutes are will be placed in the P&T binder for future reference. Minutes, reports, and communications of the Committee will be recorded and filed; such files will be available to the Pharmacy and Therapeutics Committee, the Utilization Management Committee, Quality Improvement Committee, Medical Associates Clinic, P.C. Board of Directors, external review organizations and accrediting agencies. Committee activities will be included in the quarterly report to the MAHP Board of Directors and Medical Associates Clinic, P.C. Board of Directors.

Evaluation of the MAHP Pharmacy & Therapeutics Committee Program Description
A. The Pharmacy and Therapeutics Committee will annually reassess, amend, and approve the Pharmacy and Therapeutics Committee Description.

B. Participating practitioners and staff will be requested to provide comments and suggestions relative to the Pharmacy and Therapeutics Committee Program Description.

C. The Utilization Management Committee will review the Pharmacy and Therapeutics Committee activities, and make recommendations for change.

D. These suggestions for change will be summarized and reported to the Quality Improvement Committee for further review and suggestions. Final approval rests with the Medical Associates Clinic, P.C. Board of Directors.