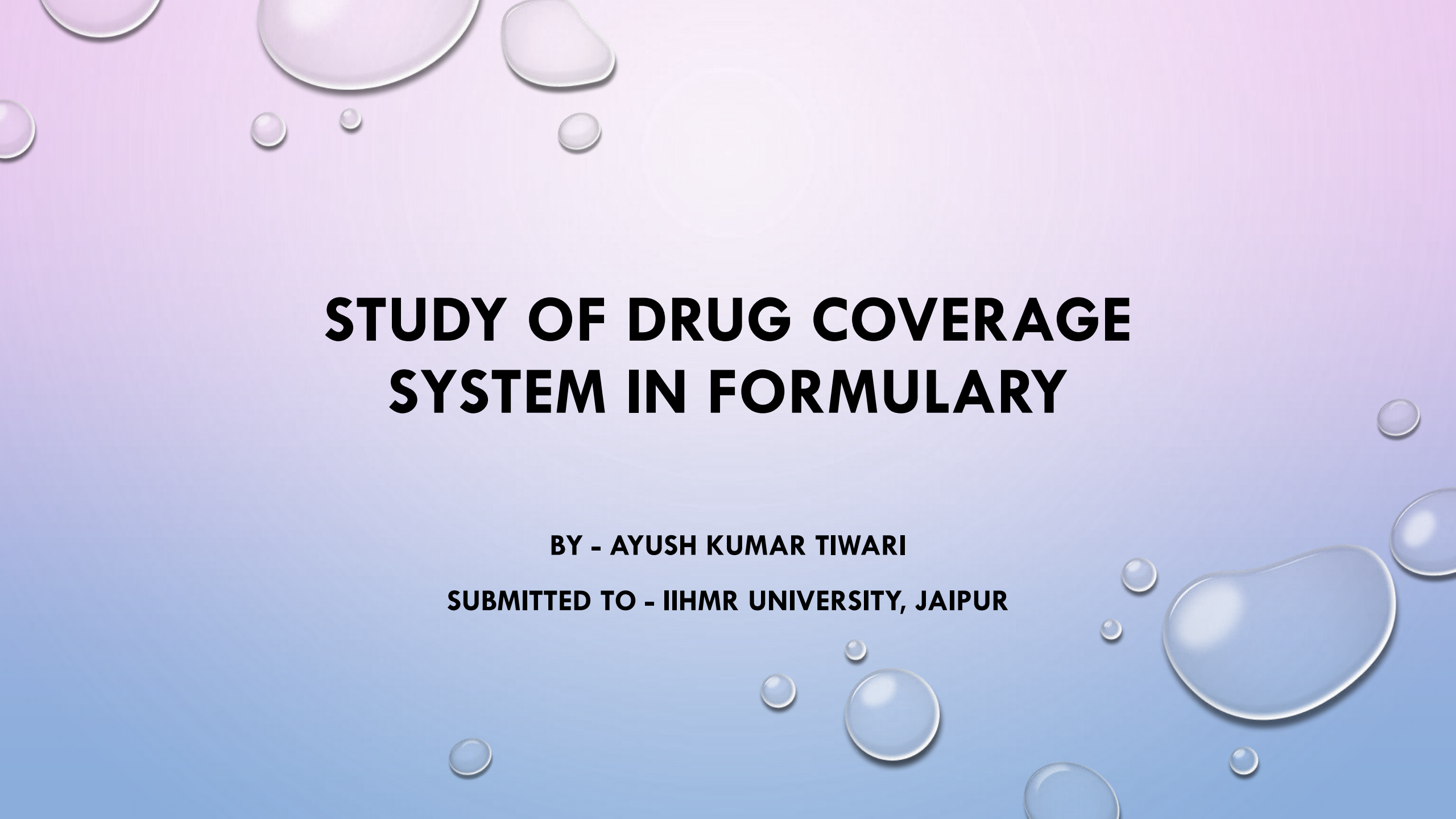




STUDY OF DRUG COVERAGE SYSTEM IN FORMULARY

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INTRODUCTION

- US healthcare is the world's most expensive healthcare.
- It gives coverage through Public and Private Healthcare sector.
- They both give coverage of drugs through Drug formulary.

PROBLEM STATEMENT

- AS US HEALTHCARE HAS MORE THAN 7000 HEALTH PLANS, IT'S NOT EASY FOR HEALTH INSURANCE PAYERS AND PHARMACEUTICAL COMPANIES TO GET INFORMATION OF INSTANT CHANGES ON DRUG FORMULARY EVERY MONTH AND GETTING COMPETITIVE ADVANTAGE FROM COMPETITORS.

OBJECTIVE

- **TO STUDY DRUG COVERAGE SYSTEM IN FORMULARY.**

SCOPE OF STUDY-

- **THIS STUDY EXPLAINS ABOUT DRUG FORMULARY.**
 - **TIER SYSTEM USED BY FORMULARIES**
 - **RESTRICTIONS SYSTEM USED IN DRUG FORMULARY.**
 - **COST- SHARING SYSTEM IN US HEALTHCARE.**
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- **TO UNDERSTAND FINGERTIP FORMULARY IN CONTEXT OF DRUG COVERAGE.**

LITERATURE REVIEW

- **(XIAN SHEN, PHD; BRUCE C. STUART, PHD; AUGUST 26, 2017) IN THEIR RESEARCH ARTICLE “IMPACT OF FORMULARY RESTRICTIONS ON MEDICATION USE AND COSTS”** IT DESCRIBES RESTRICTIONS HAVE SIGNIFICANT EFFECT ON DRUG COST. AS GENERIC WITH LESS QUANTITY LIMITS CAN ALSO HAVE MORE COST FOR MONTHLY USE.
- **(THE US DEPARTMENT OF HEALTH & HUMAN SERVICES ; MAY 2018) IN THEIR REPORT “AMERICAN PATIENTS FIRST, THE TRUMP ADMINISTRATION BLUEPRINT TO LOWER DRUG PRICES AND REDUCE OUT-OF-POCKET COSTS”**, SUGGESTED FOUR CHALLENGES IN THE AMERICAN DRUG MARKET: HIGHER PRICES OF LISTED DRUGS , LACK OF NEGOTIATION TOOL DUE TO WHICH SENIORS AND GOVERNMENT PROGRAMS OVERPAYING FOR DRUGS, HIGH AND RISING OUT-OF-POCKET COSTS FOR CONSUMERS, FOREIGN GOVERNMENTS FREE-RIDING OF OF AMERICAN INVESTMENT IN INNOVATION UNDER PRESIDENT TRUMP .

METHODOLOGY

- SECONDARY RESEARCH
- STUDY TYPE - DESCRIPTIVE STUDY
- STUDY DURATION - 3 MONTHS (4 FEB TO 4 MAY)
- SOURCE OF SECONDARY DATA- LITERATURE REVIEWS , ARTICLES AND ONLINE WEBSITES

RESULT

- DRUG FORMULARY IS LISTED INFORMATION OF DRUGS COVERED UNDER A SPECIFIC HEALTH PLAN.
- THERE ARE 3 TYPES OF RESTRICTIONS-
 - PRIOR AUTHORIZATION
 - QUANTITY LIMITS
 - STEP THERAPY

RESULT

- THERE ARE FOUR TYPES OF COST SHARING
- DEDUCTIBLES
- CO-PAYMENT
- CO-INSURANCE
- PREMIUMS

• FORMULARY CODING AND PROCEDURE-



Formularies | Health Plans | Drugs | Utilities | My Profile

Formularies

Health Plan: 31 - CareFirst BlueCross BlueShield Formulary 2 Fully Insured 3-Tier	
Default Brand Value:	3
Default Generic Value:	1
Comments:	FORMULARY: Brands not listed on formulary are Tier 3. Code Tier 0 generics as Tier 1/RC98, brands as Tier 2/RC98; use RC98C for ACA classes (bowel, contraceptive, vaccine, smoking, statin, etc). Apply PA to drugs listed with PA or MNPA. SP list: apply SP and listed restrictions; code drugs listed with only MB as NC/RC40; apply RC51 [NO PA] to drugs listed with mPA; apply RC40 to drugs listed with Rx,MB; disregard Limited distribution & SI notations. PREV: Apply RC98C to drugs on separate "Preventive" list; brands in blue for reference only Zyban is Tier 3, not excluded; Vaccines and Essure are NC/RC37, CD's are NC/SP/RC37. NP: (CareFirst PDL Formulary 2): code drugs in lower case as Tier 1, upper case as Tier 2; drugs in "NP or Excluded Drug Name" column as Tier 3/RC43, if NSA code as Tier 3/RC40/43; NTM drugs are Tier 3/PA/RC43; strips, meters, syringes, needles not listed on PDL are Tier 3/RC43. Formulary (Fully Ins) supersedes NP list for tier conflicts. Non-self administered drugs not listed are NC/RC40. Nexplanon is Tier 2/SP/RC37/98C/99D per plan CG 01-22-18.
Last Complete Update:	04-22-19 by Ayush Kumar Tiwari
File Downloads:	Formulary Data
Formulary Comments:	View (comments present)
Drug Comments:	Download (comments present)
Complete Update? Is this a complete formulary update?: ☒ No ☐ Yes	

Display Options

Drug List:	☐ All dosage forms ☐ Authorized Generics ☐ Client ☐ Contraceptive Devices ☐ Default drug list ☐ Hemophilia ☐ Injectables ☐ Legacy N/A ☐ Medical Devices (510k) ☐ Medicare Exclusions ☐ N/A Drug list ☐ Nebulizer medications ☐ New to Market ☐ New To Market Over 6 mo ☐ Non-FDA Approved Drugs ☐ Non-self Administered ☐ Oral Antineoplastics ☐ Previous Drug Cycle ☐ Self injectables ☐ Specialty Drugs ☐ Top Drugs List ☐ Validation Drug List ☐ Drugs with notes
Full Formulary:	☒ In Alphabetical Order, starting with ☒ A ☐ B ☐ C ☐ D ☐ E ☐ F ☐ G ☐ H ☐ I ☐ J ☐ K ☐ L ☐ M ☐ N ☐ O ☐ P ☐ Q ☐ R ☐ S ☐ T ☐ U ☐ V ☐ W ☐ X ☐ Y ☐ Z ☐ By Drug Class (track progress)
Partial Formulary:	☐ By Drug Class ☐ By Drug Name ☐ By Drug Id
Drugs To Include:	☐ Brands ☐ Generics ☒ Both
Sort By:	☒ Brand Name ☐ Chemical Name ☐ Drug Id ☐ Brand Name with Generic
Edit View	

CODING PROCEDURE

CODING OF FORMULARY REQUIRES –

- PREFERRED DRUG LIST OR DRUG FORMULARY.
- ANY OTHER SUPPLEMENT LIST (SP LIST, PA LIST, QL LIST, UPDATE DOC MEANS DRUG ADDITION AND DRUG DELETION DOC) ETC.
- SCRAPE OR AUTOMATIC DRUG EXTRACTION LIST.

EXAMPLE

Drug Name	Drug Tier	Coverage Rules or Limits on use
Buprenorphine HCl/ Naloxone HCl (Tablet Sublingual)	1	QL
Suboxone (Film)	1	QL

Tier 1, QL

Linezolid (100mg/5ml Suspension)	1	PA
Linezolid (600mg Tablet)	1	PA, QL
Linezolid (600mg/300ml Injection)	1	PA

Tier 1, PA , QL , QL does not apply to all strenghts

4 Drugs found.

Save

Name	Chemical Name	Generic Avail	-	Tier										Restriction				Pref	SP	Reason Code
				1	2	3	4	5	6	7	NC	N/A	PA	QL	ST	OR	P	NP		
Abiraterone	abiraterone	Yes	-	☒	☐	☐	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	98-No co-pay required. ▼ <u>+RC</u>
Yonsa	abiraterone	No	-	☐	☐	☒	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☒	None ▼ <u>+RC</u>
Zytiga 250mg	abiraterone	Yes	-	☐	☐	☒	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☒	43-May be excluded or require prior authorization based on employer benefit. ▼ <u>+RC</u>
Zytiga 500mg	abiraterone	No	-	☐	☐	☒	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☒	43-May be excluded or require prior authorization based on employer benefit. ▼ <u>+RC</u>

Save

CONCLUSION

- DRUG FORMULAY MAINLY INCLUDES BRANDS AND GENERICS DRUGS UNDER TIER SYSTEM. TIER IS DIRECTLY RELATED TO THE COPAY. LESSER TIER MEANS LESSER COPAY. PRIOR AUTHORIZATION, QUANTITY LIMITS, AND STEP THERAPY ARE RESTRICTIONS, NEEDED BEFORE PURCHASING DRUGS FOR SPECIFIC DRUGS MENTIONED IN FORMULARY.
- P & T COMMITTEE RESPONSIBLE FOR DESIGNING OF FORMULARY.
- FINGERTIP FORMULARY IS USED TO STORE ALL THE DATA OF TIER AND CO-PAY FOR CORRESPONDING DRUGS. IT PROVIDES INSTANT INFORMATION TO THE CLIENTS ABOUT DRUGS ADDITION, DELETION AND ANY RESTRICTION CHANGES IN FORMULARY.

RECOMMENDATION

- SCRAPE(AUTOMATIC EXTRACTION SYSTEM) SHOULD BE MORE EFFICIENT AND CORRECT. BECAUSE IT PROVIDES WRONG DATA SOMETIME DUE TO WHICH CODING CAN BE WRONG FOR SOME DRUGS.
- TO SHOW INTERPRETATION OF CODING INSTEAD OF PUBLISHER SOFTWARE ,VIVA SHOULD BE USED AS IT DEMANDED BY CLIENTS ALSO.

REFERENCES

- DEPARTMENT FOR PROFESSIONAL EMPLOYEES FACT SHEET 2016 ,AVAILABLE AT:
[HTTPS://DPEAFLCIO.ORG/WP-CONTENT/UPLOADS/US-HEALTH-CARE-IN-INTL-PERSPECTIVE-2016.PDF](https://DPEAFLCIO.ORG/WP-CONTENT/UPLOADS/US-HEALTH-CARE-IN-INTL-PERSPECTIVE-2016.PDF)
- FORMULARY INDEPENDENT HEALTH 2018;AVAILABLE AT:
[HTTPS://FM.FORMULARYNAVIGATOR.COM/MEMBERPAGES/PDF/2018DRUGFORMULARYI_12364_INDEPENDENT%20SAMPLE%20_4735.PDF](https://FM.FORMULARYNAVIGATOR.COM/MEMBERPAGES/PDF/2018DRUGFORMULARYI_12364_INDEPENDENT%20SAMPLE%20_4735.PDF)
- FORMULARY UNITED HEALTH 2019,AVAILABLE
AT;[HTTPS://WWW.UHCCOMMUNITYPLAN.COM/ASSETS/PLANDOCUMENTS/2019/FORMULARY/EN/2019-TN-FORMULARY-H0251-002-EN.PDF](https://WWW.UHCCOMMUNITYPLAN.COM/ASSETS/PLANDOCUMENTS/2019/FORMULARY/EN/2019-TN-FORMULARY-H0251-002-EN.PDF)



THANK YOU