



ACNP Position Paper: Formularies and Patient Care

Summary

The American College of Nurse Practitioners has served as a membership directed organization representing Nurse Practitioners across the US since 1993. The ACNP supports public policy initiatives that seek to increase access to affordable, high quality health care for all. Formularies are now utilized by nearly 90% of health plans, according to The Prescription Drug Benefit Cost and Plan Design Survey Report (2003). ACNP affirms the right of every patient to have medically necessary pharmaceuticals.

Background

Prescription drug costs are one of the most rapidly rising segments of health care expenditures in the United States. Based on data from the Center for Medicare and Medicaid between 2000 and 2003, prescription drug are estimated to have grown at a rate of 13.3% per year. Between 2000 and 2001 prescription drug spending grew 17.1%. The \$140.6 billion dollars spent on pharmaceuticals in 2001 represented 11% of total personal health spending. Increases in the number of prescriptions per capita, the types of drugs used, increased drug costs and other factors contribute to this rise.

Over the last 4 decades there has been a shift in who pays for prescription drugs. In 1965, 93% of prescription drug costs were private pay compared to just 32% in 2000. However, with 46% of prescription drug costs paid for by private insurers and 22% by public payers, the pressure to address the increase in prescription drug costs is coming not only from individual consumers but from the payers as well.

Evidence-based models of formulary selection have been utilized by British Columbia, and by states such as Oregon. Product selection is made using health outcome criteria and clinical trials with the strongest possible study design, a range of study participants and practice settings and clinically valid outcomes such as morbidity and mortality. When health benefits are equivalent, cost may be an additional determinant considered in this type of selection.

Concerns

Health insurers initiated use of incentive-based formularies as a way to deal with rapidly rising drug costs. Multi-tiered prescription drug benefits encourage the consumer to use the first tier lower cost drugs, typically generics. With higher co-pays for second and third tier drugs, studies indicate that prescription drug costs are lower, particularly for the health plan.

A study of incentive-based formularies by Kamal-Bahl and Briesacher (2004) concluded that enrollees were more likely to have higher out of pocket costs, with savings accruing

to the health plans and employers. Further, enrollees were less likely to receive certain categories of antihypertensive drugs, specifically angiotensin-converting enzyme inhibitors and angiotensin II receptive blockers. Since these medications are indicated for management of specific health conditions, the study raises the question as to whether or not there are long-term adverse consequences for these patients if drug cost influences a provider's or patient's choice of prescription.

The American Medical Association found that since use of prior authorization procedures create an administrative burden, physicians often will not pursue it, and the patient may not receive optimal treatment (CMS Report: Health Plan Coverage of Prescription Drugs, June 2003).

ACNP Recommendations for Formularies

As a tool to increase access and affordability to prescription medications, ACNP believes that formularies may be utilized if they adhere to guiding principles which support patient care. ACNP proposes the following principles and guidelines:

- 1) ACNP supports the use of evidence-based processes and guidelines in the formulary process selection and development.
- 2) ACNP supports the process of exemption or waiver to accommodate patients with unusual needs and to allow patients access to medications for health conditions which may have narrow therapeutic options, regardless of cost.
- 3) ACNP supports the development of formularies of preferred drugs, based upon clinical safety and tolerance, with evidence-based determinants of efficacy.
- 4) ACNP feels patients should not be financially penalized for the prescription of a non-formulary drug, and supports the clinician-patient relationship in determining a therapeutic treatment plan.
- 5) ACNP believes that committees which review and make recommendations regarding prescription drug access should be comprised of a broad representation of health care providers, including Nurse Practitioners.
- 6) ACNP supports the involvement of consumer representatives in the formulary committee process.
- 7) ACNP opposes mandating mail order pharmacy use as part of the formulary process, which may increase regulatory barriers from state to state and create access issues for the Nurse Practitioner's patients.
- 8) ACNP supports strong ethical and regulatory policies that prohibit plans from discouraging enrollment of beneficiaries based upon perceived medical condition or need.
- 9) ACNP supports a public forum and process of formulary selection, which includes ready access to decision-making criteria and process of deliberation.

References:

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