Best Practices for Adopting a System-Wide Pharmacy and Therapeutics Committee

Part 1: Formulary

February 2017
Objectives

• Describe the rationale for establishing a System P&T Committee and System Formulary

• Identify lessons learned during the implementation process of a System P&T Committee (SPTC) and System Formulary

• Provide examples of different initiatives and tracking tools to evaluate effectiveness
Rationale for System P&T

Optimizing Medication Use

More facilities are part of a health system

Community Hospitals: System Affiliated vs. Independent, FY2014

- 3,183 (65%): System-Affiliated Community Hospitals
- 1,743 (35%): Independent Community Hospitals

Rationale for System P&T and Formulary

Optimizing Medication Use

- Standardization
- Information Technology
- Economic Drivers
Improved Quality and Safety

**Standardization**

- Standardization is “Safety 101”
- Promotes best practice at ALL sites
  - higher likelihood of *evidence-based* practice when multiple parties contribute to decision-making versus a single subject matter expert at a given institution
  - prioritizes evidence and data over individual experiences and opinion
- Goal: rise to the highest level versus lowest common denominator
Improved Quality and Safety

Standardization

• Multiple initiatives can be addressed simultaneously with subject matter expert(s)
  ▪ driven by one site, engage others at “sister sites”

• Streamline the number of line items to reduce potential for error

• Learn from successes at one institution and apply to the remainder
Improved Efficiency

**Standardization**

- Reduce duplicate efforts
  - Education
  - Computer builds
  - Standardize med use processes
- Allow cross coverage
- Reduce drug cost
- Manage inventory
System Formulary

Information Technology

- Reduces duplicate processes for file builds and ongoing maintenance
- Allows centralized file build, file maintenance and trouble shooting
- Develop/maintain Clinical Decision Support initiatives centrally
Billing / Coding Processes

Information Technology

• Maximize billing/charge capture

• Identify billing/coding issues and missed opportunities

• Identify/resolve BCMA issues quickly

• Utilize system approach/expertise for complex billing issues (e.g., 340b)
Reports: Standardization/Analysis

Information Technology

- Non-formulary medication use/processes
- BCMA compliance
- Alert over-rides
- Drug-drug interaction alerts (escalating/downgrading levels of severity)
- Alert fatigue analysis
Contracting

**Economic Drivers**

- Greater power to maximize contracts (whether GPO or independent)
- System (versus individual hospitals) often priority for pharmaceutical industry
- Ability to reach volume and/or market shares to achieve maximum savings
FTE Resource Allocation

*Economic Drivers*

A system approach to P&T and medication use management allows for centralization of multiple processes

- Formulary management
- Medication use policy
- Purchasing
- Billing
- Information technology
- Quality improvement
- Regulatory readiness
- Access to specialists
Drug Shortages

*Economic Drivers*

- Ability to utilize purchasing power for procurement of medications deemed in short supply

- Pooling medications from multiple sites and rationing for patient populations in critical need

- Centralized decision-making regarding therapeutic indications/prioritization/rationing and therapeutic alternatives
Polling Questions #1 and #2
Experience from a Large Health System

System P&T Committee (SPTC)

- 15 facilities covering the state of Indiana
  - Six 340B facilities
  - One pediatric hospital
- System Automation
  - One GPO
  - One wholesaler
  - Same data entry system (CPOE)
  - Same infusion pumps and dataset
  - Same ADCs at 13/15 sites
  - Lawson
System P&T (SPTC) Structure

Initial Items to Clarify

• Identify staff to coordinate System P&T Committee activities
• Outline SPTC reporting structure
  ▪ Flow of information and collection of feedback
  ▪ Role of site P&T Committees
  ▪ Voting and membership for System P&T
• Clarify definitions
  ▪ System Formulary
  ▪ Formulary vs “not stocked”
  ▪ How a motion passes
• Establish SPTC scope
Example – SPTC Reporting Structure

Initial Items to Clarify

- System CMO
- Individual hospital Medical Staff Executive Committees (MECs)
- System SPTC
- System Quality
- Individual Hospital Pharmacy and Therapeutics (P&T) Committee
- System Drug/Disease Specialist Groups
- System Drug/Disease Specialist Groups
- System Drug/Disease Specialist Groups
Example – SPTC Flow of Information

*Initial Items to Clarify*

- System Drug/Disease Specialist Groups
- Facility P&T Committee
- System P&T Committee
- Medical Executive Committee (facility or system)
Example - SPTC Voting and Membership

*Initial Items to Clarify*

- **Meeting schedule**
  - Virtual or in person
  - Location

- **Voting**
  - “House vs Senate”
  - Electronic voting
  - Consensus voting or site-by-site voting

- **Chair**
  - Term
  - Voting member or tie-breaker only

- **Membership**
  - “Medical Staff Committee”
Composition of the Team

Initial Items to Clarify

• Chair
  ▪ Ideally widely respected (as well as knowledgeable)
  ▪ Physician
    - ID lends itself well given importance of stewardship

• “Rank and file”
  ▪ Ideally both academic and private staff
  ▪ Broad representation, especially including surgeons
  ▪ Include local P&T chairs if possible
Clarify SPTC Definitions

Initial Items to Clarify

• System Formulary
  ▪ Supply item vs pharmacy
  ▪ Devices vs Drugs
  ▪ Biosimilars

• Formulary vs “not stocked”

• Voting
  ▪ Abstain
  ▪ Majority

• Computer builds (establish SOWs)
Establish Initial Committee Scope

Initial Items to Clarify

- Facilities
  - Computer systems
  - Practice sites
- System Formulary
- System…..
  - Pharmacy policies and procedures
  - Therapeutic interchanges
  - Medication use guidelines
  - Dose standardizations
  - Dose rounding protocols
Polling Questions #3 and #4
System Formulary – Where to Start?

System P&T Committee (SPTC)

• Develop a Formulary list, “Source of Truth”
  ▪ Review site formularies to identify products to be included in “system formulary”
  ▪ Identify list of controversial items for review at a later time

• Formulary maintenance processes
  ▪ Process for formulary additions
  ▪ Process for formulary deletions

• Formulary “buckets”
  ▪ Inpatient use
  ▪ Restricted to outpatient
  ▪ Formulary, not stocked
  ▪ Non-Formulary

• Keep a list of questions needing clarification/ research
Example – Process for Formulary Addition

System P&T Committee (SPTC)

Request For Drug Addition to Formulary or Product Line Extension

- Type of request:
  - New Formulary Add Request
  - Product Line Extension Request
  - Product Line Deletion Request

- Generic Name:

- Trade Name:

- Manufacturer:

- Dosage Form(s)/Strength(s)/Route(s) of administration:

- Pharmacologic and therapeutic use:

- Comparable medication(s) on the current Formulary:

- Specific reasons for the superiority of this drug (Please describe and cite clinical studies in support of this):

- Please specify the cost differential between the requested drug and the current Formulary product(s):

- What current Formulary drug(s) can the requested drug replace?

- Estimated quantity needed or anticipated number of patients to be treated for one year?

- Please specify the cost differential between the requested drug and the current Formulary product(s):

- Other information pertinent to this request:

- Has a med build form been completed and submitted to Pharmacy CBS?
  - Yes
  - No, not needed

- Was this Formulary request prompted by a drug company representative?
  - Yes
  - No

- Do you currently own stock or have other financial interests in the manufacturer of this drug?
  - Yes
  - No

- Have you received gifts of over $100 in value, speakers fees, or research funds from the manufacturer of this drug?
  - Yes
  - No

- Requested By:

- Primary Practice Site:

- Requested Date:

- Email Address:

Please check your e-mail address for accuracy

Note: Confirmation notice of the request will be returned to the e-mail address provided.
Example - Executive Summary Template

System P&T Committee (SPTC) Formulary Reviews

Pharmacy & Therapeutics Committee Executive Summary

Typical Types of Initiatives Include: Formulary Change (Add, Delete), Guideline, Interchange (Therapeutic, Dosing, Product), Protocol (Medication, Pharmacy), Policy, Restriction

Title:
Proposal:
Background/Rationale:

Scope
☐ Inpatient
☐ Emergency Dept
☐ Outpatient clinics: Hospital owned outpatient clinics at sites that participate on SPTC
☐ Retail

Impacted sites:
☐ ALL sites that participate on SPTC
☐ All inpatient sites that participate on SPTC and utilize the XYZ Computer Order Entry System maintained by the System IS Dept
☐ All inpatient sites that participate on SPTC but do not utilize the XYZ Computer Order Entry System

Requestor(s):

<table>
<thead>
<tr>
<th>Requestor (specialty/facility represented)</th>
<th>Requestor Comments</th>
</tr>
</thead>
</table>

Input Received:
Current Reviews

<table>
<thead>
<tr>
<th>Reviewers (specialty/facility represented)</th>
<th>Date</th>
<th>Reviewer comments</th>
</tr>
</thead>
</table>

Historical reviews (history of formal review process, if any)

<table>
<thead>
<tr>
<th>Reviewers (specialty/facility represented)</th>
<th>Date</th>
<th>Reviewer comments</th>
</tr>
</thead>
</table>
Example - Executive Summary Template

System P&T Committee (SPTC) Formulary Reviews

Summary:
- Pharmacology/Drug Class:
- FDA approved indication(s):
- Comparison to Formulary alternative(s):
- Dosing/Administration:
- Effectiveness:
- Safety:
- Budgetary impact:
- Usage table (all sites):

References available upon request

Individual(s) Responsible for Answering Questions (including implementation questions) about this Initiative:

Document Summary Prepared by:
XYZ staff member that reviewed the document:
Date document prepared:

<table>
<thead>
<tr>
<th>To be completed by XYZ – PRIOR to review by P&amp;T</th>
<th>Comments/provide list of documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPOE</td>
<td></td>
</tr>
<tr>
<td>□ product built in Computer Order Entry System</td>
<td></td>
</tr>
<tr>
<td>□ if product not built, build sheet submitted</td>
<td></td>
</tr>
<tr>
<td>□ list orderables built in Computer Order Entry System</td>
<td></td>
</tr>
<tr>
<td>Intranet</td>
<td></td>
</tr>
<tr>
<td>□ documents to be updated included in review packet</td>
<td></td>
</tr>
<tr>
<td>□ documents to be retired from Health System Intranet</td>
<td></td>
</tr>
<tr>
<td>Policies</td>
<td></td>
</tr>
<tr>
<td>□ updates needed to pharmacy policies</td>
<td></td>
</tr>
<tr>
<td>□ updates needed to non-pharmacy policies</td>
<td></td>
</tr>
<tr>
<td>Infusion pumps</td>
<td></td>
</tr>
<tr>
<td>□ updates needed</td>
<td></td>
</tr>
</tbody>
</table>
Example – Process for Formulary Addition

System Formulary

1. Formulary review documents prepared and reviewed by disease state focused group.
2. Formulary request reviewed by individual site P&T Committees.
3. Formulary request reviewed by System P&T Committee.
4. Individual MECs approve or deny the SPTC recommendation.
5. Final recommendation forwarded to each respective hospital’s MEC.
6. Initiative implemented in computer system-wide.

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Example - Clinical Decision Support

System Formulary

- **OUTPATIENT ONLY**

  Per P & T Committee, pegfilgrastim is not to be administered to patients with a current inpatient encounter status or an inpatient encounter status within the last 24 hours. Inpatient encounter statuses include: inpatient, observation and outpatient in a bed.

  EK_SYN_OUTPATIENT_ONLY_2 AG1

- **Alert Action**
  - Cancel pegfilgrastim
  - Override Alert (Reason Required)
  - Return to Order Entry

- **Non-Formulary**

  This medication is not on the formulary at Indiana University Health Methodist Hospital. If this is a true non-formulary product, please be sure a non-formulary request form is filled out by the physician per policy. Please check stock before ordering. If the medication is from the patient’s own supply, change the dispense category to "Home Med".

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Example - Clinical Decision Support

System Formulary

Selected Order:

perindopril: 8 mg, Orally, Tablet

Choose Therapeutic Substitution:

lisinopril: 20 mg, Tablet, Orally
Equivalent to: perindopril 8 mg, Tablet, Orally
Comments:
Oral ACEI Therapeutic Interchange

Lisinopril (Prinivil or Zestril) is the product of choice for this pharmacologic category at IU Health.

Perindopril (Aceon) 8 mg = lisinopril 20 mg

-OR-

Choose Decline Reason:

OK  Cancel
System Formulary Metrics & Committee Education

System P&T Committee (SPTC)

• Metrics
  ▪ Cost Savings Metrics
    – Review projected versus actual/realized cost savings for each SPTC-approved initiative
    – Report by site
  ▪ Formulary Compliance
  ▪ Non-Formulary Drug Use
  ▪ Price Increases

• Committee Education
  ▪ Drug Pricing
  ▪ Biosimilars
  ▪ Medication Safety
  ▪ Survey members to identify topics
## Example - System Formulary Metrics

### System P&T Committee (SPTC)

<table>
<thead>
<tr>
<th></th>
<th>Site A</th>
<th>Site B</th>
<th>Site C</th>
<th>Site D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Initiative X</td>
<td>$30,130</td>
<td>$ (337)</td>
<td>$ 290</td>
</tr>
<tr>
<td>3</td>
<td>Initiative Y</td>
<td>$(10,000)</td>
<td>$ 145</td>
<td>$(17)</td>
</tr>
<tr>
<td>4</td>
<td>Initiative Z</td>
<td>$195,911</td>
<td>$24,118</td>
<td>$13,116</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$216,041</td>
<td>$23,926</td>
<td>$13,389</td>
</tr>
</tbody>
</table>

### Initiative Savings by Month

[Bar chart showing monthly savings targets and actual savings for each month from May 15 to April 16.]

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### Example – System Formulary Metrics

**System P&T Committee (SPTC)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SYSTEM SAVINGS ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$997,599</td>
</tr>
<tr>
<td>2014</td>
<td>$1,305,873</td>
</tr>
<tr>
<td>2015</td>
<td>$89,592</td>
</tr>
<tr>
<td>2016</td>
<td>$612,568</td>
</tr>
</tbody>
</table>

- Evaluated quarterly
- Site-specific information available
- Can review each SPTC-approved initiative, by site
Challenges / Barriers

System P&T Committee (SPTC)/System Formulary

- Standardizing practice across System
- Long turnaround time for review and implementation
- Complexity of implementation at multiple facilities
  - Different process for sites on different computer systems
- Hospital MEC can veto SPTC action
- How to “onboard” additional facilities
Formulary Lessons Learned – System A

System P&T Committee (SPTC)

• Define core principles:
  ▪ Reporting structure
  ▪ Conflict resolution
  ▪ Areas of mandatory system compliance

• Definitions:
  ▪ Pediatric vs adult
  ▪ Inpatient vs outpatient
  ▪ Formulary addition vs line-item extension

• Identify and work to maintain key centralized figures without alliance to a given hospital
Formulary Lessons Learned – System A

System P&T Committee (SPTC)

- Minimize electronic meetings: face-to-face as much as possible
- Rotate meeting sites
- Encourage collaboration
- Promote healthy competition between sites
- Value and respect “the little guy”
Formulary Lessons Learned – System B

System P&T Committee (SPTC)

• Start with simple items first
  ▪ Initial focus on the product (formulary) vs the process (med management initiatives)

• Provide rationale for proposals to help facilitate understanding of intent

• Identify a process to address site-rejected System P&T approvals

• Ensure the pharmacy participants are on board

• “System” status of other departments
  ▪ Nursing, RT, radiology
Formulary Lessons Learned – System B

System P&T Committee (SPTC)

• Verify that computer build processes are established and consistent (not different at different sites)

• Consider different approach to implementation if site is on a different order entry system

• Celebrate the wins

• Communicate, communicate, communicate!
Questions?