

<b>POLICY AND PROCEDURE</b>	
<b>TITLE:</b> Formulary Maintenance	
<b>DEPARTMENT:</b> Medical Management - Pharmacy	<b>POLICY #:</b> PH03
<b>EFFECTIVE DATE:</b> 02/01/96	<b>REVIEW/REVISION DATE:</b> 02/06, 09/08, 06/12, 11/15, 09/16, 09/17, 02/18, 12/18, 07/19
<b>COMMITTEE APPROVAL DATE:</b> P&T 12/11/18 PRC 06/19/19 QMUM 07/10/19	<b>RETIRE DATE:</b> None
<b>PRODUCT TYPE:</b> Medi-Cal	<b>REPLACES:</b> None

### **I. PURPOSE**

To explain how the Health Plan of San Joaquin (HPSJ) formulary is maintained.

### **II. POLICY**

HPSJ shall maintain, appropriate for its product lines, a Drug Formulary or Formularies to promote clinically sound and cost-effective health care. The Formulary will be monitored and updated continually by the Pharmacy and Therapeutics Committee to provide adequate therapeutic classifications of drugs for members' needs.

### **III. PROCEDURE**

- A. HPSJ maintains a Drug Formulary or Formularies that reflect the clinical judgment of physicians, pharmacists, and other experts in the diagnosis and/or treatment of disease and promotion of health.
- B. The Drug Formulary is continually updated through the process of applying the information gathered from regularly:
  1. Reviewing the published medical and scientific literature.
  2. Considering patient utilization and treatment experience.
  3. Considering committee members' input and expertise.
  4. Evaluating clinical practice guidelines.
  5. Reviewing recommendations and requests from practitioners.
  6. Reviewing economic data.
  7. Considering data on safety and efficacy.
- C. HPSJ uses a closed and tiered Formulary.
- D. Formulary Maintenance involves the related processes of:

1. Therapeutic Drug Class review.
  2. Additions and deletions at times other than during a scheduled Therapeutic Drug Class review as appropriate, including processes for:
    - a. Practitioners and members to request changes
    - b. Considering drugs for inclusion prior to, or immediately after, marketing
  3. Reviewing and updating pharmaceutical management procedures, including but not limited to:
    - a. Tier assignments
    - b. Quantity Limits
    - c. Generic Substitution
    - d. Prior Authorization
    - e. Step Therapy
    - f. Therapeutic Interchange
    - g. Making determinations regarding coverage of non-Formulary drugs and exemptions from pharmaceutical management procedures based on medical necessity
- E. All Therapeutic Drug Classes are scheduled for review annually.
1. The review is intended to identify preferred agents based on effectiveness, toxicity, and cost differences within the same class. HPSJ treatment limitations and requirements for mental health drugs are not more restrictive than treatment limitations and requirements for drugs used for other conditions.
  2. Therapeutic class review can lead to:
    - a. New drug use criteria
    - b. New treatment guidelines
    - c. Changes to the Formulary, including, but not limited to, tier assignments
- F. Additions and deletions to HPSJ Formulary shall be reviewed by the Pharmacy and Therapeutics Committee (P&T Committee), using detailed, researched data from the Pharmacy Department under the oversight of the Director of Pharmacy.
- G. Requests for changes in Formulary, additions, and deletions, may be initiated by a Health Plan associated physician, a P&T Committee member, or by action of the P&T Committee.
- H. Decisions on additions and deletions to the Formulary are made with consideration of the effects of the proposed change on the quality and cost of patient care and drug therapy.

- I. HPSJ will notify the person or organization requesting a Formulary change of the action regarding the request.
- J. Processes for approving non-Formulary drugs enable the needs of individual patients to be met with non-Formulary products when clinically justified.

**IV. ATTACHMENT(S)**

None

**V. REFERENCES**

- A. DHCS Contract, Exhibit A, Attachment 10, F. 3
- B. HPSJ P&P PH04, Pharmacy & Therapeutics Committee
- C. NCQA Standard UM13 – Procedures for Pharmaceutical Management
- D. Title 22, §51313, 51513

**VI. REGULATORY AGENCY APPROVALS**

DHCS Approved on (pending).

**VII. Glossary**

[Policy and Procedure Glossary Link](#)

**VIII. REVISION HISTORY**

<b>STATUS</b>	<b>DATE REVISED</b>	<b>REVISION SUMMARY</b>
Reviewed	09/30/16	No content change, annual review.
Reviewed	09/12/17	No content change, annual review.
Revised	02/23/18	Added sentence in regards to mental health drugs not being more restrictive than drugs used for other conditions.
Reviewed	12/11/18	No content change, annual review.
Revised	07/26/19	Added purpose statement, updated policy template.