DHA Pharmacy Operations Division Summary and Updates

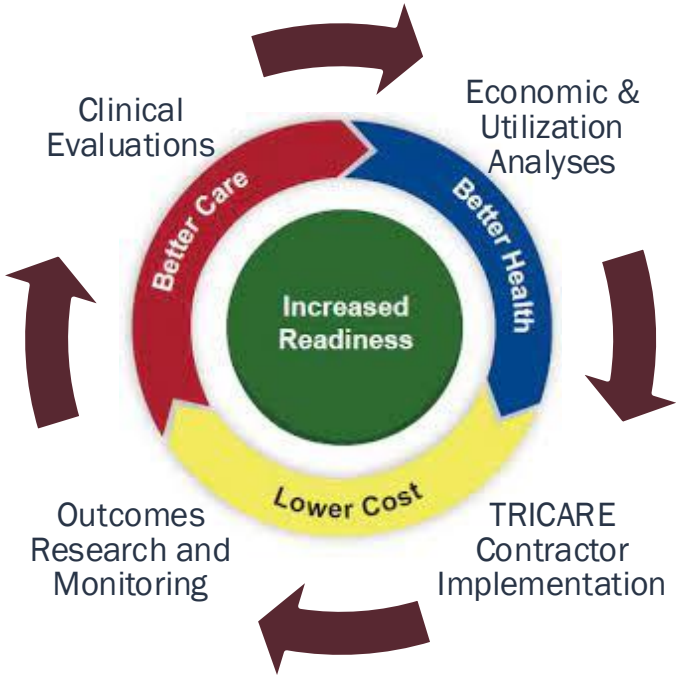
DHA Pharmacy Operations Division Formulary Management Branch

November 2022

Formulary Management Branch Major Responsibilities

https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Pharmacy-Operations

- Provide administrative and technical support for the DoD Pharmacy & Therapeutics Committee, which manages outpatient medications on the TRICARE Uniform Formulary
- Monitor drug usage and cost trends and perform pharmacoeconomic analyses to support DoD formulary management, national pharmaceutical contracts, and the development of clinical practice guidelines



Formulary Process and Membership/Staff

Formulary Management Branch
Collects, Analyzes, Presents

DoD P&T
Recommends Changes

Beneficiary Advisory Panel
Comments

DHA Director
Makes decisions

Minutes posted

Formulary Management Branch (FMB)
Pharmacists (7); Physicians (3); Cost analysts (3); Outcomes Analyst (1); Tech writer (1); Admin Assistant (1)

Voting Members

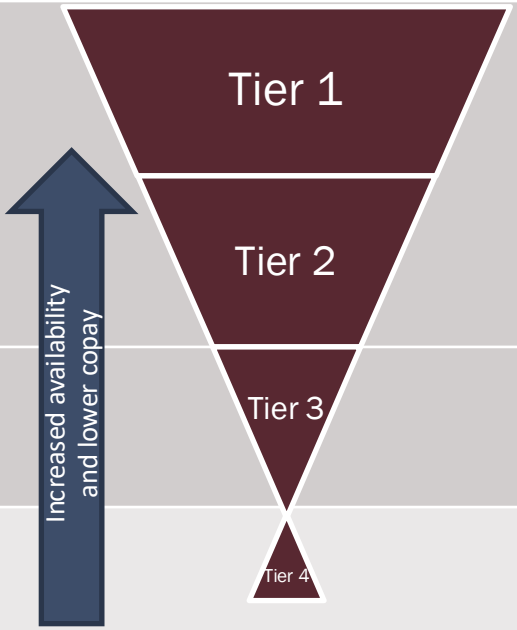
Physician Chair (1); Recorder (POD-FMB) (1); Service Pharmacists (4); Family Practitioner (1); Pediatrician (1); Physicians at Large (4); Ob/Gyn (1); Internists (3); TRO Representative (1); Oncologist (1); Oncology Pharmacist (1); POD Representative (1)

Non-voting Members

General Counsel DHA (1); DLA Troop Support (1); Budget & Resource Management, DHA (1); TPharm COR (1); VA Pharmacist (1)

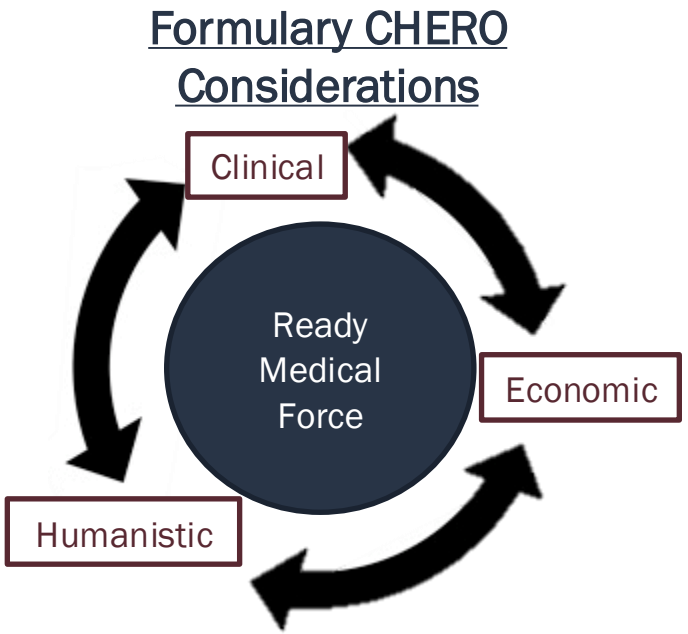
Beneficiary Advisory Panel (BAP)
Up to 15 members
Representatives from NGOs and associations that represent interests of eligible beneficiaries.
Agenda and background materials posted in *Federal Register*
Public forum to comment on UF, PA, and Implementation timelines

TRICARE Uniform Formulary Four-Tiered Structure

MTF	Mail and Retail Copay Tiers	Description of Tiers	Utilization Management
Uniform Formulary		Tier 1 agents are generics with the lowest copay. Some Branded agents can be placed in this tier to benefit patients and encourage use of higher value drugs	UF (Tier 1/Tier 2) agents may have Prior Authorization (PA) Criteria to ensure appropriate patient selection UF agents can be placed Basic Core Formulary requiring MTF pharmacies to have available to dispense
		Tier 2 agents are usually the preferred branded drugs	
Non-Formulary		Tier 3 agents are non-preferred drugs Preferred UF agents are available within each class of drugs and should be considered before Tier 3 agents	NF (Tier 3) may have PA All NF drugs have Medical Necessity (MN) criteria MN is required to be met at MTFs
Not Covered		Tier 4 are medications determined to provide very little or no clinical effectiveness relative to similar agents	Tier 4/Not-Covered are not available at Mail and MTF Patient will pay full retail price at Retail

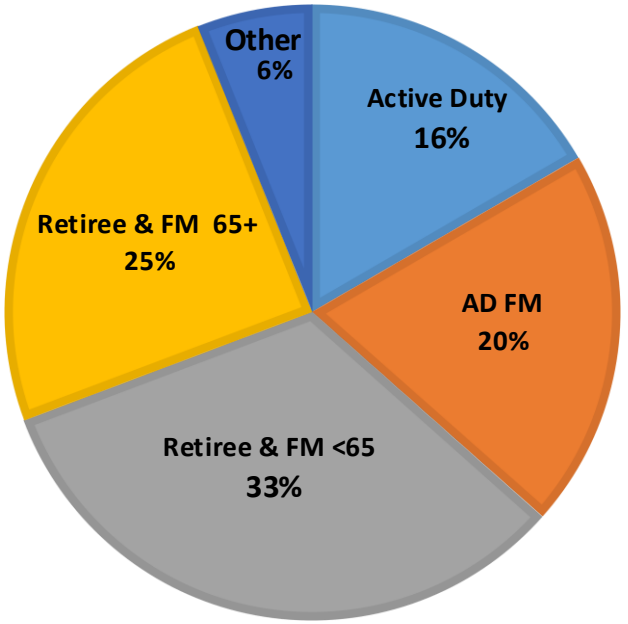
DoD P&T Committee Recommendations

- Recommendations are based on CHERO model (modified ECHO)
  - Clinical outcomes – Clinically appropriate
  - Humanistic outcomes – Minimize impact on patients
  - Economic outcomes – Financially prudent
  - Readiness considerations/Outcomes – Unique to DoD



Pharmacy Operations Scope, FY22

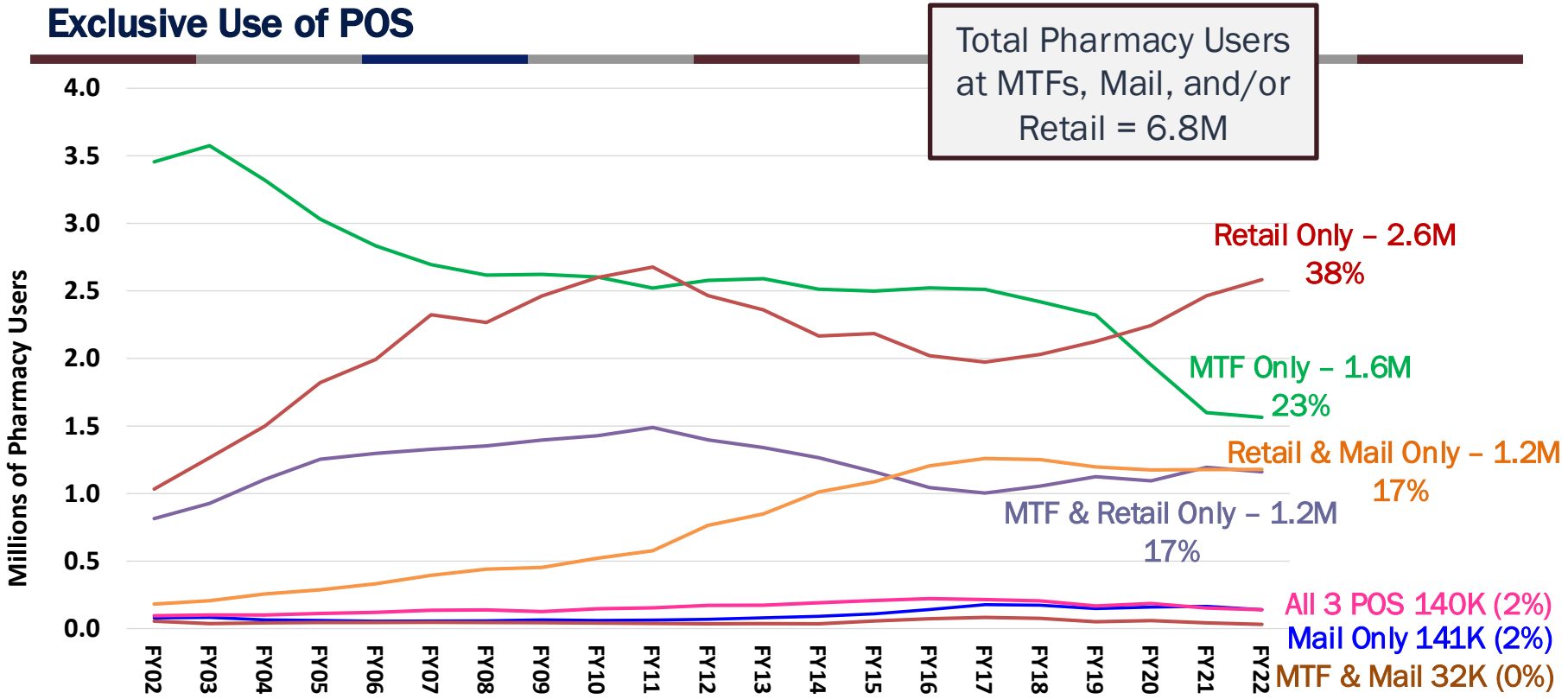
- ~9.6M beneficiaries
  ~$7.7 Billion Spend (FY22)
  - ✓ military pharmacies worldwide
  - ✓ retail pharmacies
  - ✓ Mail order
  - ✓ ~71% of all eligibles used the pharmacy benefit in FY22
- Filled in FY22
  - ✓ 105M Rxs (106 M in FY21)
  - ✓ 187M 30-day Rxs (190 M in FY21)



Beneficiaries by Patient Category, FY22

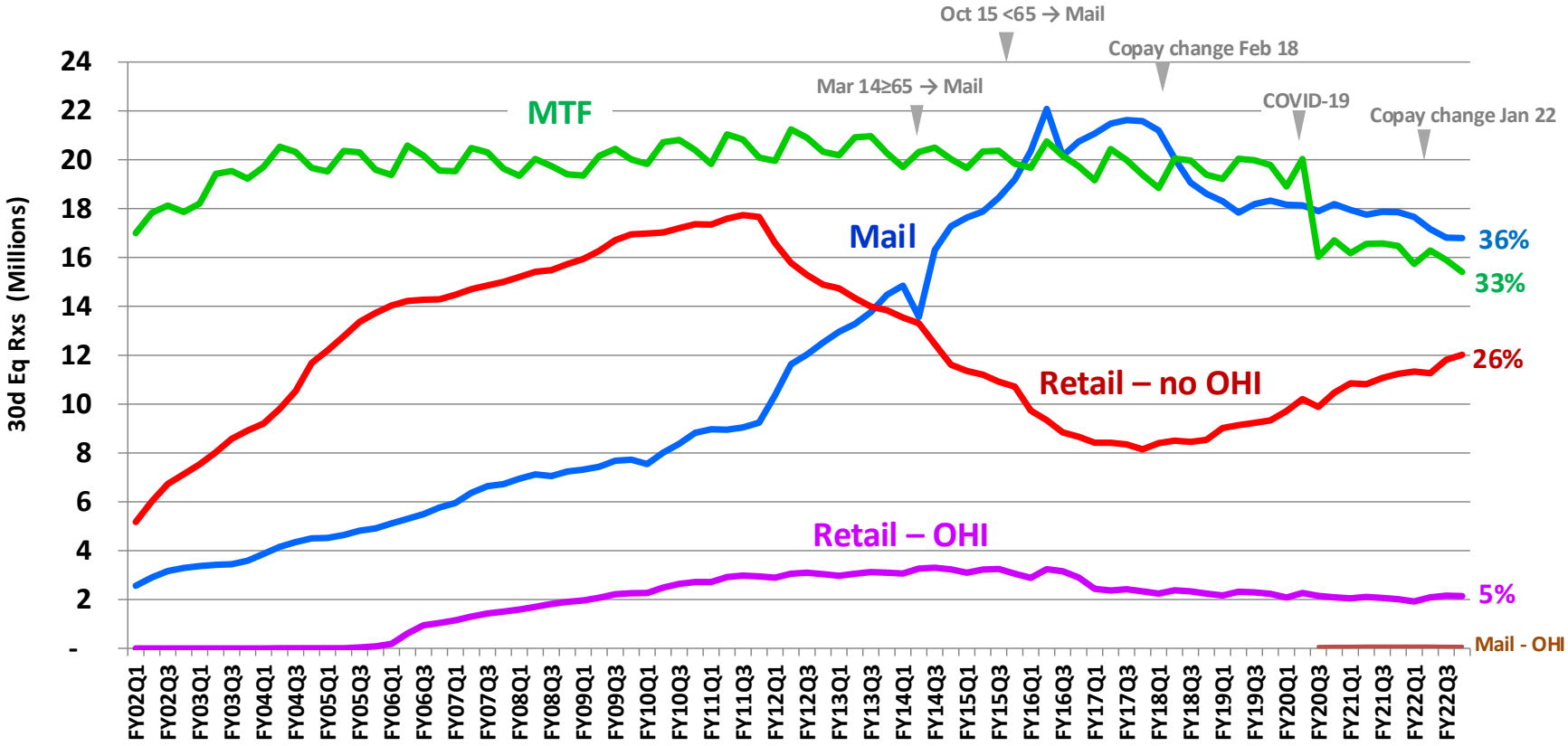
Unique Users by POS, FY02-22

Exclusive Use of POS



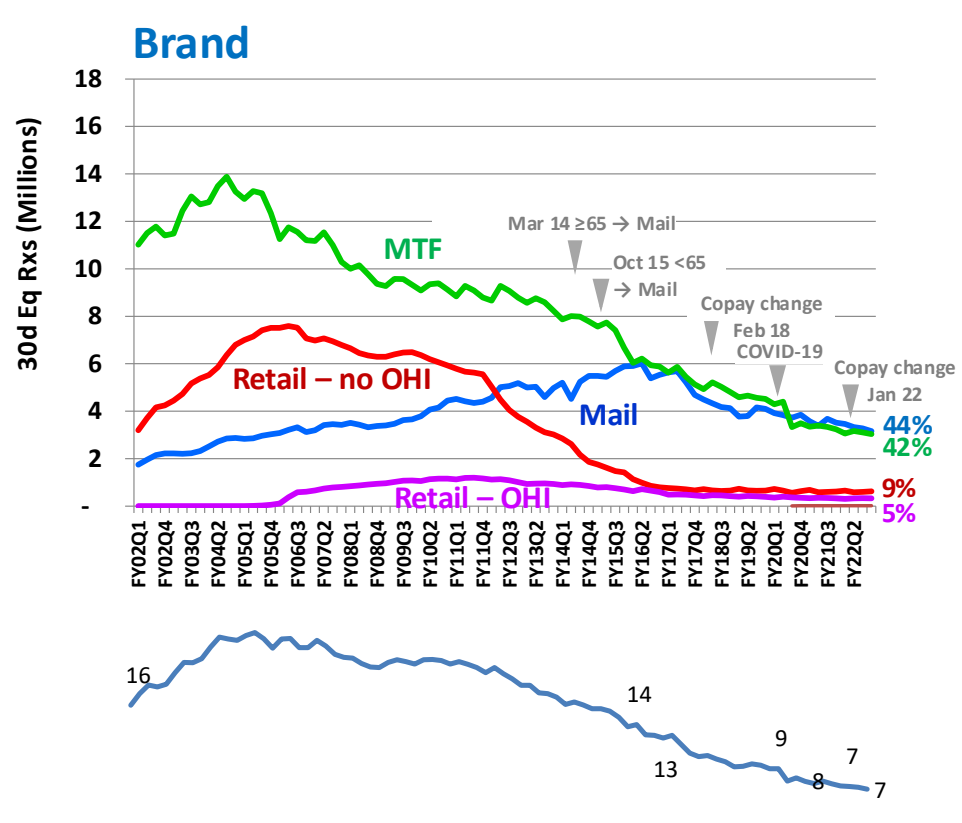
Utilization by POS

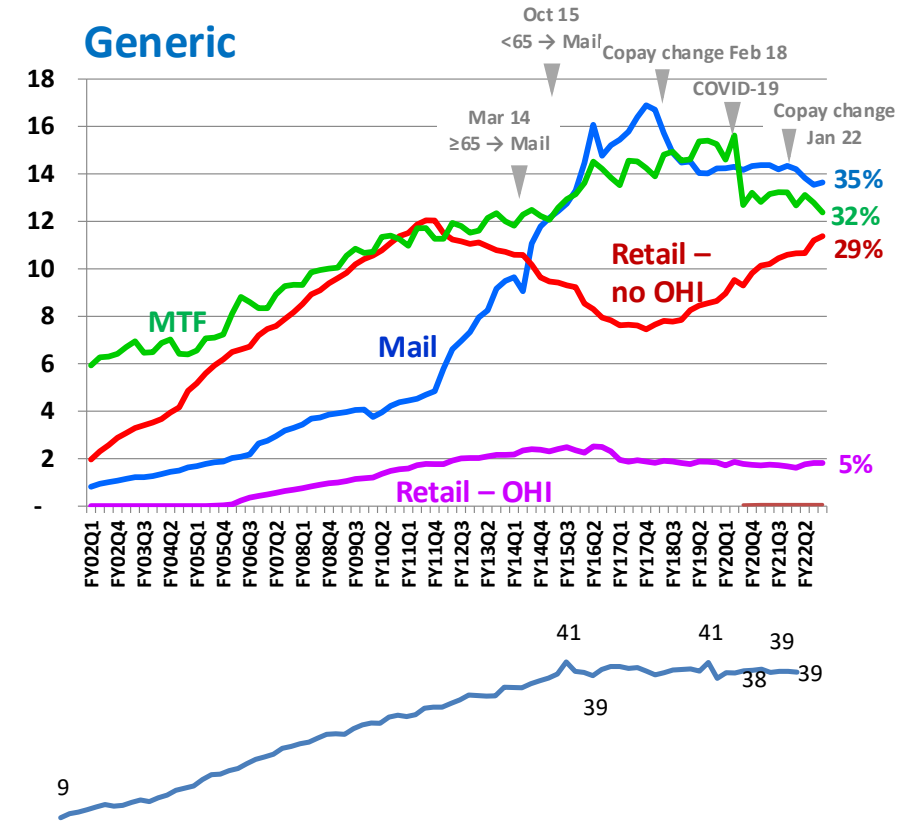
30-day Equivalent Rxs by Quarter



Brand vs. Generic Utilization by POS

30-day Equivalent Rxs by Quarter





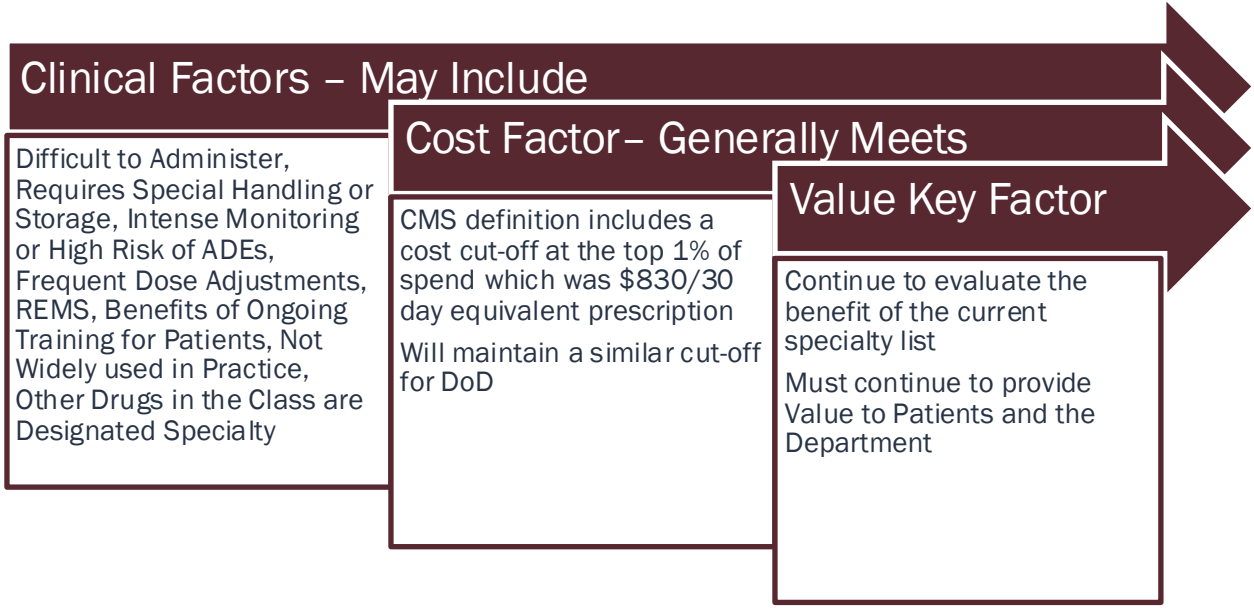
Top 25 UF Classes by Total Cost FY22 (~$ 5.4B) = 72% of Total

Rank	P&T		FY20 -22 Unit Cost	FY20 -22 30DE
1	Feb 22	ONCOLOGICAL		
2	Aug 14	TIBs		
3	May 22	DIABETES NON-INSULIN		
4	-	ATOPY (new class)		
5	Nov 16	ANTICOAGULANTS		
6	Feb 21	PULMONARY-1 (ICS, ICS/LABA, SABA, IPF)		
7	May 16	RENIN-ANGIOTENSIN		
8	-	VACCINES		
9	Aug 21	LEUKEMIA/LYMPHOMA (e.g., ibrutinib)		
10	Aug 19	MULTIPLE SCLEROSIS		
11	Nov 19	INSULINS (includes Omnipod [Nov 21])		
12	May 19	PULMONARY ARTERIAL HYPERTENSION		
13	Feb 21	BREAST CANCER		
14	Aug 22	ANTIDEPRESSANTS / NON-OPIOID PAIN		
15	Aug 17	ANTIRETROVIRALS		
16	Nov 21	IMMUNOLOGICAL MISC (Immune globulins)		
17	Nov 16	ANTILIPIDEMICS-1		
18	May 16	ANTICONVULSANTS-ANTIMANIA		
19	-	NEUROLOGICAL MISC		
20	May 16	ANTIPSYCHOTICS		
21	Nov 18	GASTROINTESTINAL-2 (aminosalicylates, steroids)		
22	May 22	MIGRAINE AGENTS (triptans, CGRPs)		
23	-	CYSTIC FIBROSIS		
24	Feb 18	OPHTHALMICS		
25	Aug 22	OVERACTIVE BLADDER		

TRICARE Definition of Specialty (Aug 22 P&T Meeting)

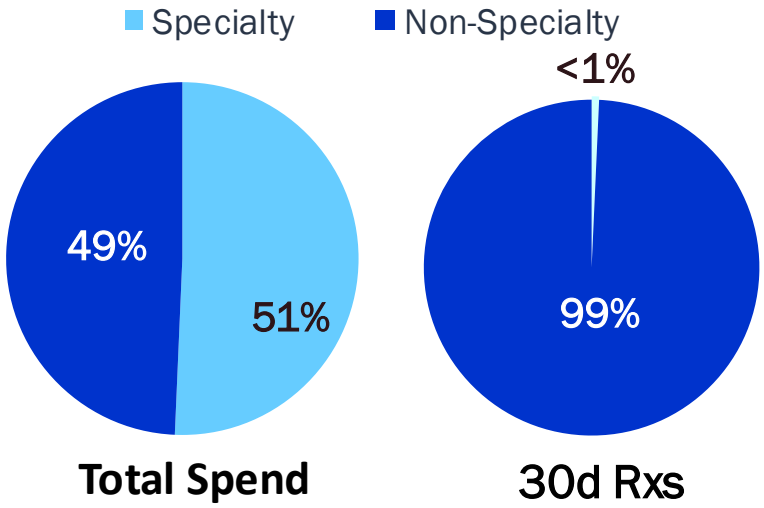
Specialty drugs are designated based on <u>one or more</u> of the following:

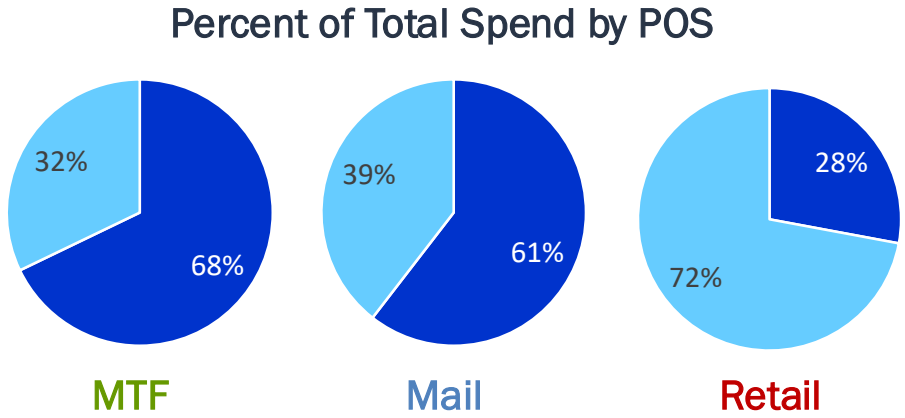
- One or more clinical factors (as outlined)
- Cost factor
- The Specialty program provides value to the patient and/or DoD



DoD Specialty vs. Non-Specialty Spend, FY22

Excluding Compounds, OHI, paper claims





Based on Specialty Agent Reporting List for applicable quarters; totals adjusted for retail refunds, copays, and against PV cost per unit for MTF and mail

Copays Increased Jan 22 (NDAA FY18)

Further increases every other January (specified through 2027)

	Mail generic (Tier 1)	Mail brand (Tier 2)	Retail generic (Tier 1)	Retail brand (Tier 2)	Tier 3
2017 (till 1 Feb 18)	$0	$20	$10	$24	$49
2018 - 2019	$7	$24	$11	$28	$53
2020 - 2021	$10	$29	$13	$33	$60
2022 - 2023	$12	$34	$14	$38	$68
2024 - 2025	$13	$38	$16	$43	$76
2026 - 2027	$14	$44	$16	$48	$85

- NDAA18 = significant copay changes
  - Most significant change = elimination of $0 copay for generics at mail (Feb 18)
  - AD survivors and medically retired & their dependents remain at 2017 copays

FY22 P&T Actions Summary

- 8 **drug class** reviews (15 subclasses), total spend $884.9M
- 55 **new drugs** reviewed
- **Utilization Management:** new PAs, PA changes, QLs, or other issues for at least 81 classes, subclasses, or drugs
- Caught up with implementation of formulary changes affected by the BAP delay (Feb 21-Nov 21)

Other Actions in FY22

- **Retrospective Reviews (each meeting):** PAH drugs, rapid-acting insulins, utilization management actions, pancreatic enzymes
- **Additional Items:** Annual innovator review, Tier 4 review, Year-end, Commercial Trends, DoD/VA Continuity of Care; systemizing QL for specialty drugs, new specialty definition, end of Medication Adherence Pilot

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www.health.mil/PandT

Health Care Administration & Operations

- Disability Evaluation
  - Integrated Disability Evaluation System
  - Medical Evaluation Board
  - Physical Evaluation Board
  - Physical Disability Board of Review
  - Separation Health Assessment
- Health Care Program Evaluation
- Information for Providers
- Military Hospitals and Clinics
- TRICARE Health Plan
- TRICARE Pharmacy Operations
  - Beneficiary Advisory Panel
  - DOD Pharmacy & Therapeutics Committee
    - Meeting Minutes
    - Meeting Archives
  - Deployment Prescription Program
  - Drug Take Back Program

DOD Pharmacy & Therapeutics Committee

The Department of Defense Pharmacy & Therapeutics (DOD P&T) Committee's mission is to uniformly, consistently, and equitably provide appropriate drug therapy to meet the clinical needs of DOD beneficiaries in an effective, efficient, and fiscally responsible manner.

To learn more, please see the Dec. 2004 Health Affairs Policy 04-032, TRICARE Pharmacy Benefit Formulary Management (clarified March 22, 2005).

DOD P&T Committee Meeting Schedule

View DOD P&T Meeting Minutes | See Archived Meeting Pages

Feb. 8-9, 2023

Uniform Formulary Request for Quote Information (Class Review)

- UF BPA & UF ADP RFQ Documents Posted: Oct. 24, 2022
- Pre-Proposal Teleconference: Nov. 9, 2022 at 1:00pm CT
- UF BPA & UF ADP Class Quotes Due: Dec. 14, 2022 at 12:00pm CT

*Please note that all agents in the class, including brands and all generics, may be considered for formulary management actions. Additionally, if a drug is approved prior to Aug. 27, 2015, but not currently available the committee may still make a formulary recommendation.

Class Review	Designated Newly	Drugs in Previously

Contact Us

RFQ POC

- Call 1-210-536-6029
- Send an Email Message

Industry Technical Liaison

- Appointments available upon request. Please submit requests to below email.
- Send an Email Message

DOD Retail Refund Pricing Agreement POC

- Call 1-703-681-8494
- Send an Email Message

Sign up for Email Updates

Related Links

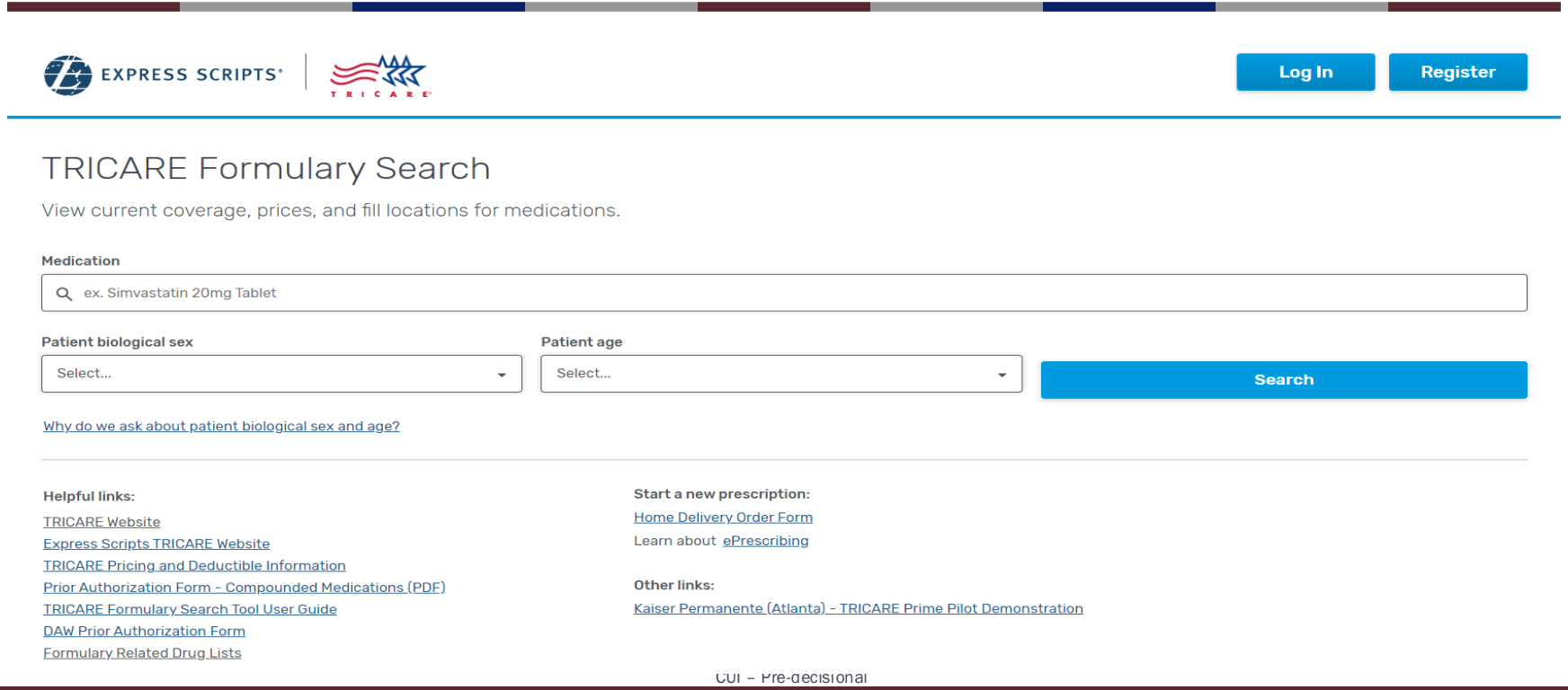
- Beneficiary Advisory Panel
- Formulary Search Tool
- DOD Formulary Placement of FDA Newly Approved Drugs
- DOD Ambulatory Pharmacy Benefit Design Tools Review
- DOD P&T Committee Charter Signed August 2020

- Uniform Formulary Drug Utilization Report FY22Q2
- Uniform Formulary Drug Utilization Report FY22Q3
- Uniform Formulary Drug Utilization Report FY22Q4

MTF-Level UFDUR - May 2022

- This is posted publicly on health.mil/PandT under Related Links
- Due to the bandwidth, the report will be for a quarter at a time based on the fiscal calendar year
- Reports will lag about 3-4 months behind to ensure more accuracy from refund data
- Drugs with 4 or less prescriptions will not be accounted/displayed on this report due to OPSEC requirements
- This will have the same data detail as before except the MTF data is broken down to locations; NDC level data will still not be provided
- Like previous, data relating to the Theater, overseas, and VA CHDR prescription workload are excluded. Alaska and Hawaii are INCLUDED.
- This should eliminate unnecessary FOIA report requests; if this generates additional FOIA requests, the UFDUR will be reassessed for which versions makes best business sense

TRICARE Formulary Search Tool



Request for Quote

Previous Document 2021

DoD Uniform Formulary Class: BREAST CANCER AGENTS
DoD Uniform Formulary Sub-Class: CYCLIN DEPENDENT KINASE INHIBITORS

Class Note(s): Prior Authorization (PA) may apply. Agents may be identified as possible candidates for special reimbursement methods, amounts, and procedures to encourage use of high-value products and discourage use of low-value products. The P&T Committee may recommend consideration of preferential status to any non-generic pharmaceutical agent by treating it for purposes of cost sharing as a generic product (Tier 1). Similarly, the P&T Committee may identify candidates to recommend complete or partial exclusion from the TRICARE pharmacy benefit program.

Extended Core Formulary (ECF) and/or Tier 1 candidacy may be considered if cost is 50% less than current ingredient cost.
Tier 1 candidacy may be considered if cost is 50% less than current ingredient cost.

DoD Uniform Formulary Class: MENOPAUSAL HORMONE THERAPY
DoD Uniform Formulary Sub-Class: ORAL SINGLE AGENTS

Class Note(s): Prior Authorization (PA) may apply and allows for a step that includes any/all generic agents for all new and current users. Agents where no brand currently exists may be considered for tier designation. Agents may be identified as possible candidates for special reimbursement methods, amounts, and procedures to encourage use of high-value products and discourage use of low-value products. The P&T Committee may recommend consideration of preferential status to any non-generic pharmaceutical agent by treating it for purposes of cost sharing as a generic product (Tier 1). Similarly, the P&T Committee may identify candidates to recommend complete exclusion from the TRICARE pharmacy benefit program (Tier 4).

Based on available government prices and historical information, the band of prices for net ingredient cost may trigger formulary considerations.
Basic Core Formulary (BCF) and/or Tier 1 candidacy may be considered if cost is less than $20 per 30 day supply.
Uniform Formulary (UF) and/or Tier 2 candidacy may be considered if cost is $20-90 per 30 day supply.
Non-Formulary (NF)/Tier 3, as well as Tier 4 may be considered if cost is greater than $90 for 30 day supply.

Request for Quote

February 2022

UF BPA Appendix for the February 2022 DoD P&T Meeting			
DOD Uniform Formulary Class:	BINDERS-CHELATORS-ANTIDOTES-OVERDOSE AGENTS	**P&T Committee Meeting:**	February 9-10, 2022
DOD Uniform Formulary Subclass:	HYPOGLYCEMIA AGENTS	**Quotes due:**	December 15, 2021

Formulary Notes

Class Note(s): Prior Authorization (PA) may apply. Agents may be identified as possible candidates for special reimbursement methods, amounts, and procedures to encourage use of high-value products and discourage use of low-value products. The P&T Committee may recommend consideration of preferential status to any non-generic pharmaceutical agent by treating it for purposes of cost sharing as a generic product (Tier 1). Similarly, the P&T Committee may identify candidates to recommend complete or partial exclusion from the TRICARE pharmacy benefit program (Tier 4).

Step Therapy Addendum: No Grandfathering - A prior authorization process requires new and current patients to complete an adequate trial of the step-preferred agent(s) before a non-step-preferred agent is provided to a new user at any MTF, Retail, or Mail point of service. Unless otherwise noted, patients must have tried an agent in the class in the previous 180 or 365 days (as determined by the P&T Committee) in order to be excluded from the prior authorization process.

Based on available government prices and historical information, the band of prices for net ingredient cost may trigger formulary considerations.
Scenario 1:
Uniform Formulary (UF) and/or Tier 2 candidacy may be considered if current cost is reduced by ≥ 50% per device.
Non-Formulary (NF)/Tier 3, as well as Tier 4 may be considered if ingredient cost is not reduced by ≥ 50% current per device.
Scenario 2:
Uniform Formulary (UF) and/or Tier 2 candidacy may be considered if ingredient cost is reduced by ≥ 30% per device.
Non-Formulary (NF)/Tier 3, as well as Tier 4 may be considered if ingredient cost is not reduced by ≥ 30% per device.

Notes to Manufacturers: Do not forget to submit fully executed signature pages along with quote information.

Blanket Purchase Agreement Appendix – Class Review						
#1	**DOD Uniform Formulary Class:**	BINDERS-CHELATORS-ANTIDOTES-OVERDOSE AGENTS		**P&T Committee Meeting:**	February 9-10, 2022	
	DOD Uniform Formulary Subclass:	HYPOGLYCEMIA AGENTS		**Quotes due:**	December 15, 2021	
	NDC Number	**Drug Name**	**Strength**	**Dosage Form**	**Package Size (Number Devices)**	**Military Treatment Facility & Mail Order**
Formulary Scenarios	**Condition Set #**	**Formulary Category Description**	**One of (x) Number of Brand Agents**	**Price per NDC**	**Package Size**	**Price per Unit (Device)**
Scenario 1	222BCHAG0UFNS1X	Uniform Formulary No Step	1			
	222BCHAG0NFNS1M	Non-Formulary No Step	1 or more			
Scenario 2	222BCHAG0UFNS1M	Uniform Formulary No Step	1 or more			
	222BCHAG0NFNS1M	Non-Formulary No Step	1 or more			
				If cell highlights red, please confirm intent not to submit a quote		

Medical Device Process – August 2022 P&T Meeting

- Medical devices are not part of the TRICARE Pharmacy benefit, with limited exceptions
- Medical devices are primarily covered by the TRICARE Health Plan
- Additions are not meant to replace this pathway
- No statutory or regulatory requirement mandating that the DoD P&T Committee review new FDA-approved medical devices or that the TRICARE Pharmacy benefit cover such devices.
- Any new version/model of a currently covered device is not automatically included on the UF

Biosimilar Products– August 22 P&T Meeting

- All biological medications approved by the FDA will be reviewed by the P&T Committee as new drugs to include biosimilars, interchangeable biosimilars, and unbranded biologics
- Biosimilars will not default to Tier 1, but the Committee make recommendations to lower the copay for specific products based on clinical and cost-effectiveness
- Utilization management tools including prior authorization criteria may apply to biosimilars, interchangeable biosimilars, and unbranded biologics
- FMB will continue to evaluate to see if this process can be streamlined

Future Meetings

DOD P&T MEETINGS	CLASS REVIEWS	BENEFICIARY ADVISORY PANEL (BAP) MEETINGS
2-3 NOVEMBER 2022	RBC STIMULANTS, ATOPY JAKS	4 JANUARY 2023 (VIRTUAL)
8-9 FEBRUARY 2023 (2ND WEEK)	Testosterone, DORAs -Insomnia	TBD
3-4 MAY 2023		TBD
2-3 AUGUST 2023		TBD
1-2 NOVEMBER 2023		TBD
7-8 FEBRUARY 2024 (2ND WEEK)		TBD

Questions?

dha.san-antonio-tx.healthcare-ops.mbx.pharmacy-opsmbxpod-industr@health.mil