



AMCP Position on Formularies

A drug formulary is a continually updated list of prescription medications which represents the current clinical judgment of providers who are experts in the diagnosis and treatment of disease. The overall goal of a formulary is to develop a list of the safest, most effective medications that will produce the desired goals of therapy at the most reasonable cost to the health care system. Formulary decisions have an impact on all components of the health care delivery system. In the face of the escalating number and complexity of drug products, rising drug prices and direct-to-consumer advertising, the formulary management process provides the managed health care system with the ability to objectively discriminate between superior and marginal medications. Studies show that choice of the most appropriate drug results in fewer treatment failures, reduced hospitalizations, enhanced patient adherence to the treatment plan, fewer adverse side effects, and better overall outcomes.

AMCP POSITION:

The Academy of Managed Care Pharmacy (AMCP) supports the use of well designed, evidence-based formularies to assist in effectively managing a patient's total medical care regimen. A properly designed formulary enhances quality of care by encouraging the use of those prescription medications that are demonstrated to be the safest, most effective, and produce positive patient outcomes. AMCP believes that managed care organizations must retain flexibility in formulary design, and therefore opposes government mandates that would require coverage of certain medications or otherwise impede in the formulary decision process.

- **Formularies are developed by Pharmacy & Therapeutics (P&T) Committees comprised of physicians, pharmacists and other health care professionals.**
 - P&T Committee members should, collectively, have current knowledge and expertise in clinical aspects of prescription drugs and drug use review, evidence-based decision making, evaluation, and intervention.
 - The P&T Committee should meet regularly to review and evaluate the medical and clinical evidence from the literature, relevant patient utilization and experience, economic data, and provider recommendations to determine which drugs are the safest, most effective, and produce the best medical results.

- **Formularies have existed for decades and are most commonly used by hospitals, health plans, pharmacy benefit management companies (PBMs), self-insured employers, and government agencies (including the Department of Veterans Affairs, Department of Defense, and many state Medicaid programs).**
- **Formularies are versatile tools that promote patient safety and maintain the affordability of the prescription drug benefit.**
 - A formulary supports and maximizes the effectiveness of prescribing guidelines and protocols for physicians and other prescribers.
 - Formularies often contain additional prescribing and clinical information that assists health care professionals as they promote high quality, affordable care to patients.
 - In addition to protecting patient safety and promoting appropriate use of prescription medications, formularies also help to maintain the affordability of the prescription drug benefit and improve patient access to affordable care.

Related AMCP Resources:

Where We Stand Position Statement on Formularies: <http://www.amcp.org/positionstatements>

Concept Series on Formulary Management:

<http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=9298>

August 2011

The Academy of Managed Care Pharmacy (AMCP) is a national professional association of pharmacists and other health care practitioners who serve society by the application of sound medication management principles and strategies to assist patients in achieving positive therapeutic outcomes. The Academy's 7,000 members develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by a managed care pharmacy benefit. More news and information about AMCP can be obtained on its website, at www.amcp.org.