

2010 Part D Symposium: Trends in Part D Formularies

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Formulary Submission and Review

- ◆ Formularies are submitted in the spring prior to the start of the contract year.
- ◆ CMS provides a standard submission format.
- ◆ Formularies are submitted to and reviewed in the Health Plan Management System (HPMS).
- ◆ Part D sponsors utilize the CMS Formulary Reference File in creating their files.



Formulary Reference File (FRF)

- ◆ The FRF contains submission codes for drugs that can be included on HPMS Part D formularies.
- ◆ The FRF code serves as a proxy for the NDCs related to the FRF drug.
- ◆ For CY2007 – CY2009, the proxy code was a single NDC that represented each unique brand name, generic name, strength, dosage form, and route of administration for each drug.



FRF Changes

- ◆ Annual updates are necessary to account for the availability of new drugs and updated information regarding the regulatory status of existing FRF drugs.
- ◆ Because of this expansion and contraction, direct comparison of number of proxy codes on formularies are not meaningful.

CY 2010 FRF Format

- ◆ Starting in CY2010, the FRF proxy codes are RxNorm RXCUIs that represent each unique and related brand name, semantic clinical drug component (ingredient plus strength), and dose form.
- ◆ RxNorm, a standardized nomenclature for clinical drugs and drug delivery devices, is produced by the National Library of Medicine (NLM).
- ◆ RXCUIs are not always as granular or specific as proxy NDCs, which accounts for some differences between 2009 and 2010 FRFs.



CY 2009 vs. CY2010 FRF

CY 2009

Proxy NDC Code	Brand Name	Generic Name	Dosage Form	Route	Strength
00009026002	COLESTID	COLESTIPOL HYDROCHLORIDE	GRAN	ORAL	5 GM
00009026001	COLESTID	COLESTIPOL HYDROCHLORIDE	PACK	ORAL	5 GM
00009045003	COLESTID	COLESTIPOL HYDROCHLORIDE	TABS	ORAL	1 GM
00009037005	COLESTID FLAVORED	COLESTIPOL HYDROCHLORIDE	GRAN	ORAL	5 GM
00009037003	COLESTID FLAVORED	COLESTIPOL HYDROCHLORIDE	PACK	ORAL	5 GM/7.5GM

CY 2010

RXCUI	TTY	RxNorm Description	Related BN	Related SCDC	Related DF	Related NDC
207754	SBD	COLESTIPOL 1000 MG ORAL TABLET [COLESTID]	COLESTID	COLESTIPOL 1000 MG	ORAL TABLET	00009045003
544543	SBD	COLESTIPOL 5000 MG GRANULES [COLESTID]	COLESTID	COLESTIPOL 5000 MG	GRANULES	00009026002

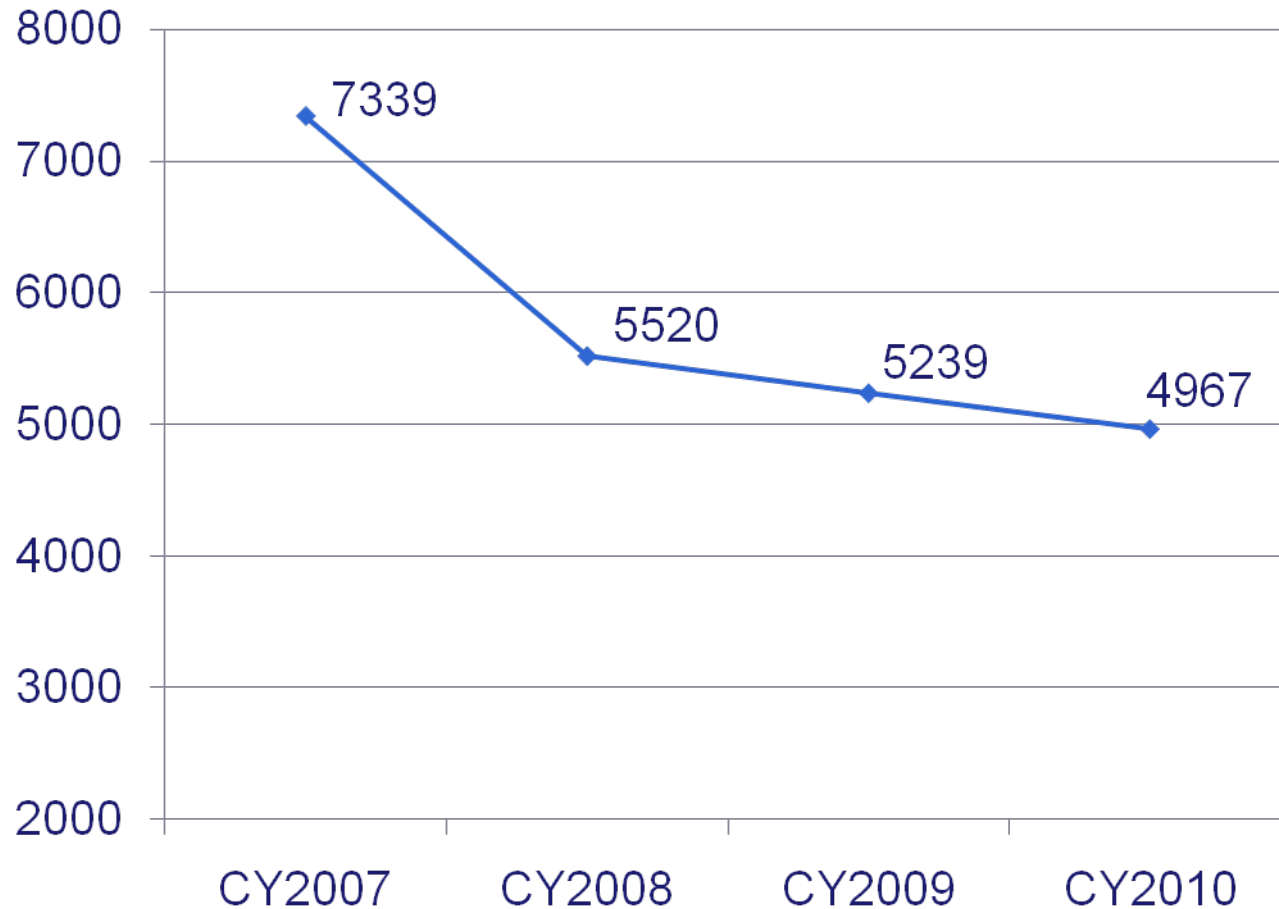
Public Use File - Formulary

BASIC DRUGS FORMULARY FILE

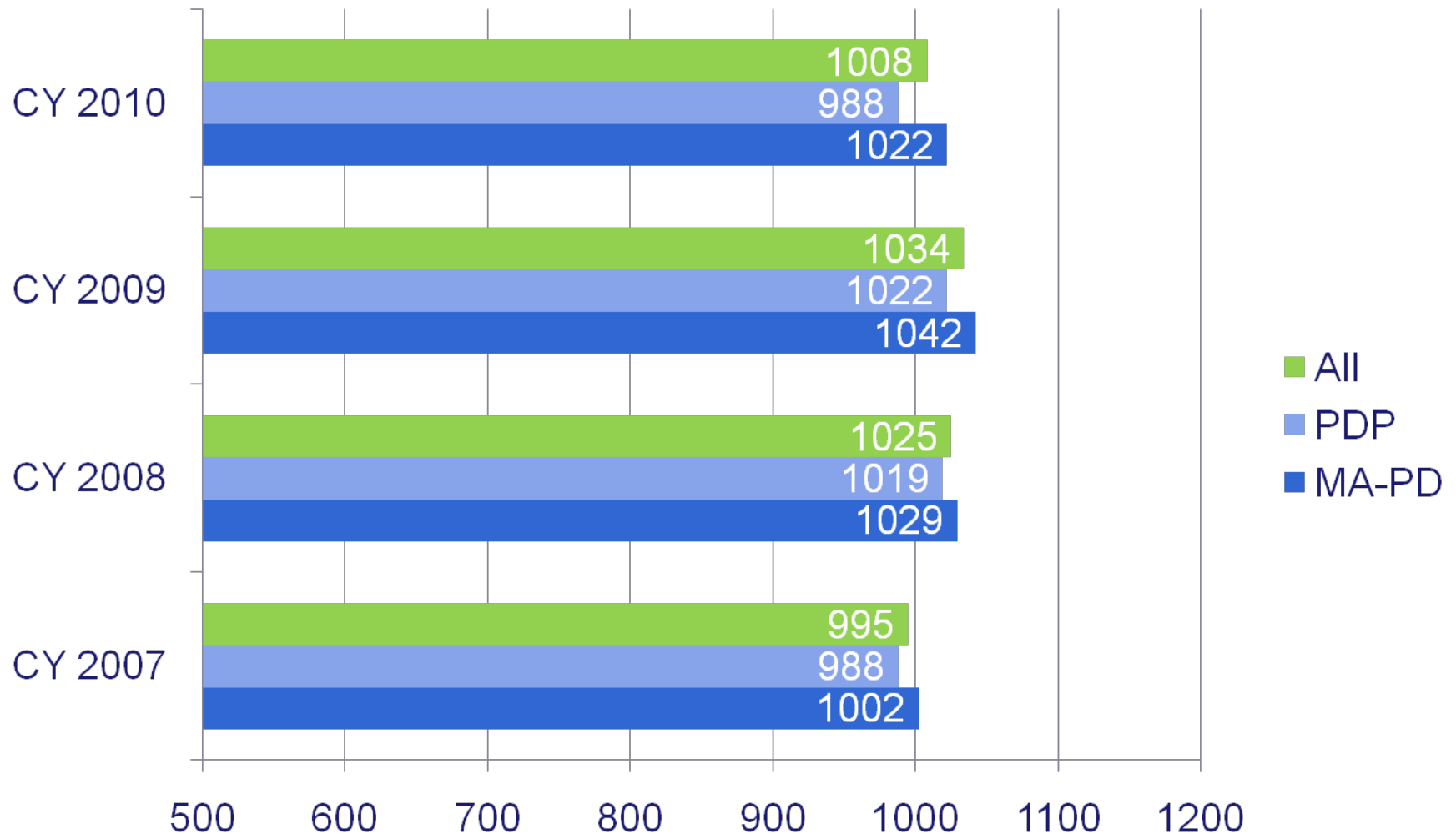
Field Name	Type(size)	Description
FORMULARY_ID	Char(8)	Unique ID assigned to each newly created formulary
FORMULARY_VERSION	9(3)	Version ID
CONTRACT_YEAR	Char(4)	Contract year
RXCUI	Char (6)	RxNorm concept unique identifier
NDC	Char (11)	11-digit proxy National Drug Code (NDC) associated with the drug product
TIER_LEVEL_VALUE	9(2)	Cost share tier level associated with the NDC
QUANTITY_LIMIT_YN	Char(1)	Does this NDC have a quantity limit restriction?
QUANTITY_LIMIT_AMOUNT	9(6)	Quantity limit amount associated with this NDC
QUANTITY_LIMIT_DAYS	9(6)	Quantity limit days associated with this NDC
PRIOR_AUTHORIZATION_YN	Char(1)	Is prior authorization required for this NDC?
STEP_THERAPY_YN	Char(1)	Does Step Therapy apply to this NDC?



FRF Proxy Code Counts



Formulary Drug Counts – Generic Entities



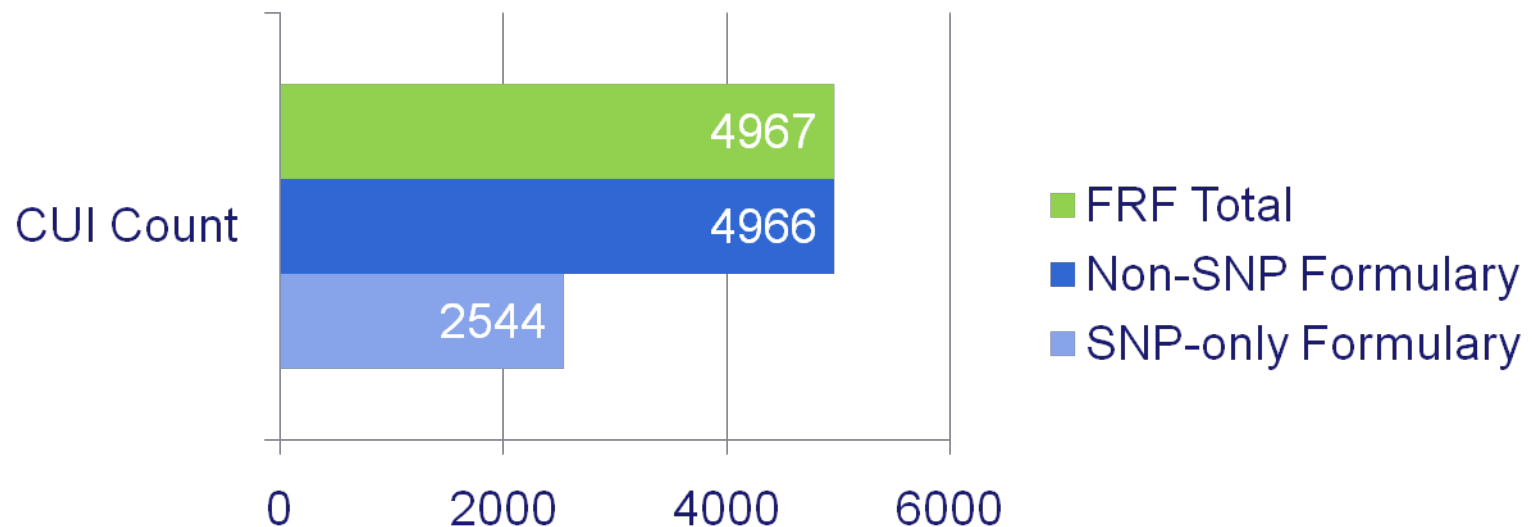
CY 2009 versus CY 2010 Formulary Counts – FRF Ingredients

	CY 2009		CY 2010	
	MA-PD	PDP	MA-PD	PDP
RXCUI Count	3631	3510	3386	3184
Drug Count	974	956	953	924
QL Rate	15 %	18 %	15 %	17 %
PA Rate	10 %	11 %	11 %	13 %
ST Rate	3 %	3 %	2 %	2 %

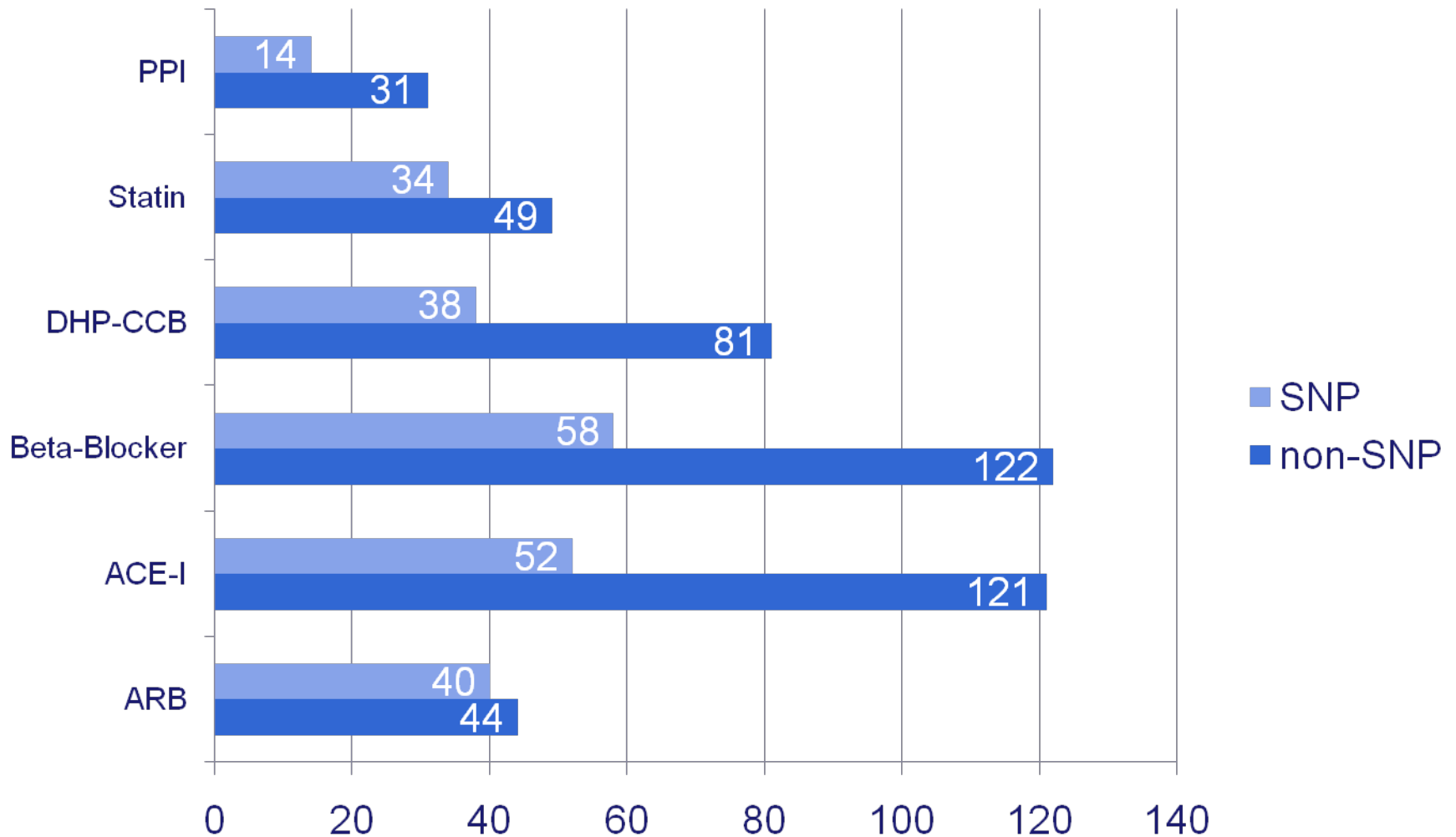


Clinical Implications of Formulary Size

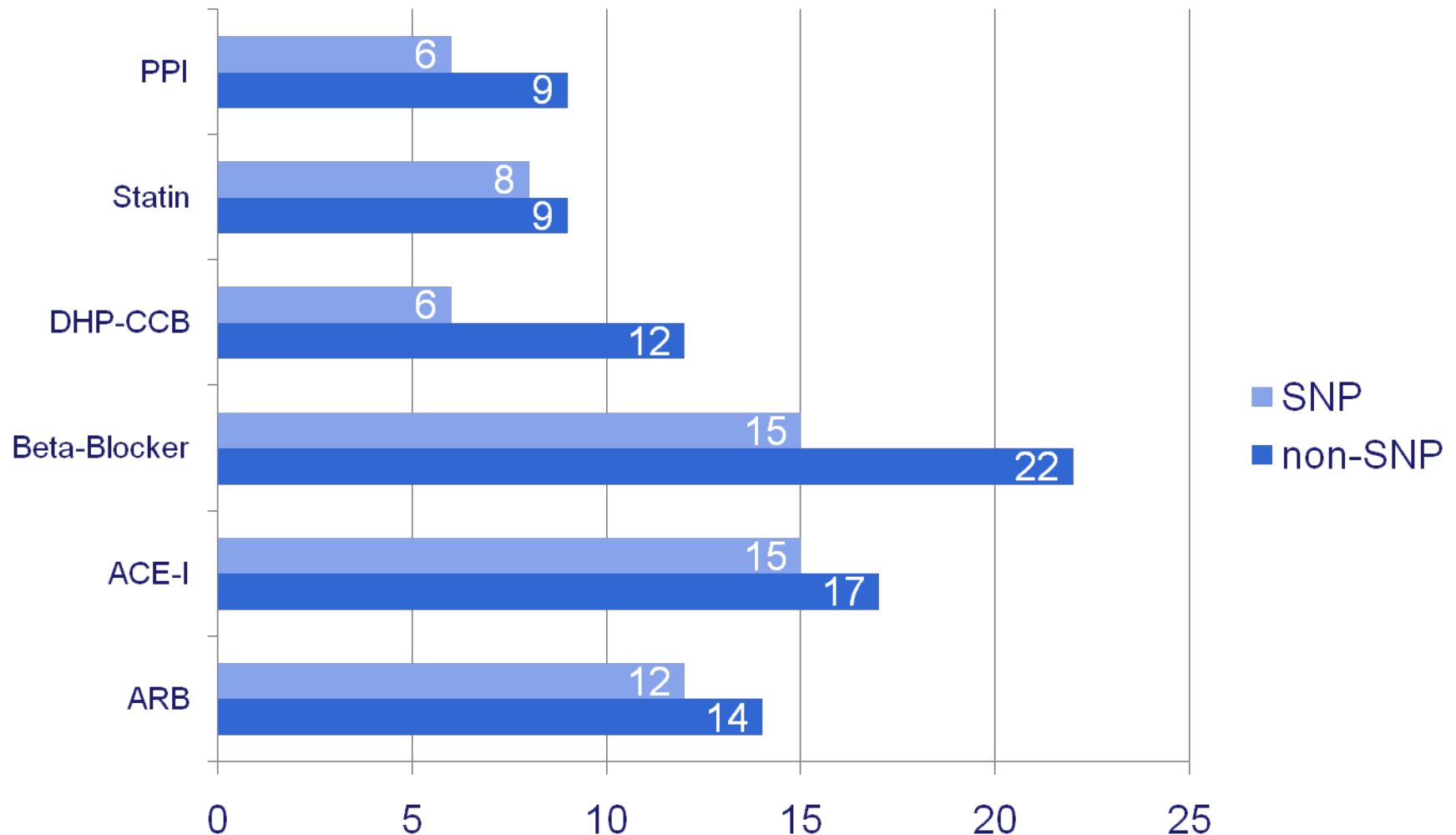
- ◆ Is a larger formulary a better formulary?
- ◆ Comparison of the “smallest” formulary associated only to a chronic disease SNP to the “largest” formulary submitted to CMS.



RXCUI Counts for Common Drug Classes



Generic Entity Counts for Common Drug Classes



Analyzing Part D Formulary Data

- ◆ Relying on proxy count alone may lead to erroneous conclusions.
- ◆ Proxy counts alone may not accurately reflect a formulary's clinical breadth.
- ◆ Adjust for annual FRF changes.
- ◆ Related NDCs within the PUF are subject to change.

