The 2016 US Payor Landscape: Results From a Survey of Medical and Pharmacy Directors on Formulary Management

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**BACKGROUND**

- Cost-effectiveness Research (CER) and Evidence-based Medicine (EBM) are two types of analyses being utilized by health plans to make coverage decisions.
- Based on recent programs with US payors, Medical Directors, and sponsors (pharmaceutical companies, medical device, and health technology companies), the authors and their organizations decided to conduct a survey of medical and pharmacy directors involved with P&T Committees on their policies regarding:
  - Specialty Pharmacy products
  - The administration of formularies in the decision-making process for pharmaceuticals
  - Use of formulary management tools to control the growth of healthcare costs and ensure appropriate utilization of products
  - The decision-making process for formulary inclusions and exclusions

**OBJECTIVES**

- A survey of Medical Directors and Pharmacy Directors of US payors representing health plans, insurers, employer groups and Pharmacy Benefit Managers (PBMs) focused on:
  - How US Medical and Pharmacy Directors of US health plans, insurers, and Pharmacy Benefit Managers:
    - Make formulary decisions
    - View their formulary review and coverage policies
    - Approaches preferred by Medical and Pharmacy Directors of US health plans, insurers, and PBMs to enhance the decision-making process and understand formulary inclusions and exclusions

**METHOD**

- Online survey of US Medical and Pharmacy Directors from public/private plans with multiple member-types on: advisor plan information; formulary coverage and restrictions.
- An online, interactive survey was developed with 76 questions and included:
  - Yes/No questions
  - Lists for users to select single or multiple answers
  - Out of 61 completed surveys, respondents were invited to participate and the survey was sent to medical and pharmacy directors currently employed by US health plans and insurers from the TPG-NPRT database in December 2015.
- Material or financial incentives were not offered for completion of the survey.
- Total respondents included:
  - Most (86%) of the advisors were involved in formulary decisions
  - Many advisors reported multiple degrees (Figure 1), and the most common degree was MD (59.2%)

**RESULTS**

- A total of 61 completed surveys, were sent to medical and pharmacy directors currently employed by US health plans and insurers from the TPG-NPRT database in December 2015.
- Multiple advisors reported multiple degrees, and the most common degree was MD (59.2%)
- Most (83.6%) worked for a health plan—39.6% were local, 35.4% were national, and 25% were regional
- The TPG-National Payor Roundtable (TPG-NPRT), Glastonbury, CT, USA; maintains a database of Chief Medical Officers and Chief Pharmacy Officers in the United States.

**REFERENCES**

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**Figure 1: Respondent Degrees**

**Figure 2: Respondent Titles**

**Figure 3: Plan Coverages**

**Figure 4: Top Specialty Pharmacy Conditions**

**Figure 5: Plan Use of Cost-Effectiveness Research (CER)**

**Figure 6: Advisors Top Desired Changes to their Plan’s Pharmacy Benefit**

**Table 1: Top Concerns from Medical Care and Budgetary Points of View**

**Table 2: N=61**

**CONCLUSIONS**

- The managed care P&T Committee decision-making process is undergoing a series of changes.
- Medical and Pharmacy Directors, who commonly serve as P&T Committee members, have distinct opinions as to how to alter the process to adapt to these influences.