

RESOLUTION 83-08A

Title: Insurance Company Formulary Transparency and Drug Substitutions

Introduced by: James H. Sondheimer, MD, for the Wayne County Delegation

Original Author: Mohammed A. Arsiwala, MD

Referred to: Reference Committee B

House Action: Adopted as Amended

Whereas, most drug coverage plans utilize a formulary, with a process for physician requests for exceptions and prior authorizations, and

Whereas, the physician must have ready access to a current formulary for each payer operating in his/her practice area, and yet many physicians have experienced difficulty obtaining such information, contact information for exceptions, and prior authorizations, and

Whereas, the hospital pharmacy concept of therapeutic drug substitutions has not been widely accepted for outpatient use, where the risk of adverse reactions and interactions cannot be as easily controlled as in the hospital; therefore be it

RESOLVED: That MSMS propose policies and legislation to establish standards for all commercial payers' drug formulary publication, ideally in an internet environment, including information for web or fax prior authorization and exception requests; and be it further

RESOLVED: That MSMS seek policies and legislation stipulating that an insurance company formulary may suggest preferred therapeutically equivalent agents, no prescription denial or substitution could be made absent the physician's notification and approval.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE