



# Evolution of a Formulary Consult Service on Decreasing Pharmacy Costs

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# Disclosure Information

- Phu Huynh, Pharm.D., BCPS, has nothing to disclose

# Learning Objectives

- Describe how the implementation of a Formulary Consult Service can be an effective medication cost-management strategy for managing non-formulary and high cost pharmaceuticals
- Measure the impact of a Formulary Consult Service on hospital pharmaceutical expenditures
- Describe how the implementation of a Formulary Consult Service can be an effective medication cost-management strategy for managing non-formulary and high cost pharmaceuticals
- Discuss how a Formulary Consult Service can reduce hospital pharmaceutical expenditures

# Background

- Major challenges to formulary and fiscal management include escalating pharmaceutical costs and the rapid entry of high tech drugs to the market
- A poorly defined formulary process can result in limited adherence to policies and inefficiencies in procurement, prescribing, and distribution

Prescriber enters restricted/NF Drug into CPOE

CPOE displays formulary alternative and Call Formulary Pager Message

Real-Time Evaluation of Request

Request Approved

Request Denied

Pharmacist Enters request in CPOE and procures product

Recommendation Accepted and Provider Enters appropriate order

Recommendation Not Accepted and escalated

# Educational Value

- Training conducted at start of residency year
- Clinical Specialist regularly meets with Residents to review approvals/denials
- Education on drug use policy and formulary to provider
- DI tracks trends of consult approvals/denials and provides feedback and additional education as needed

# Physician Stakeholders and Support

## Escalation Process created

- Initial Recommendation Not Accepted
- High Cost Drugs (\$5000/dose)
- High Risk Drugs

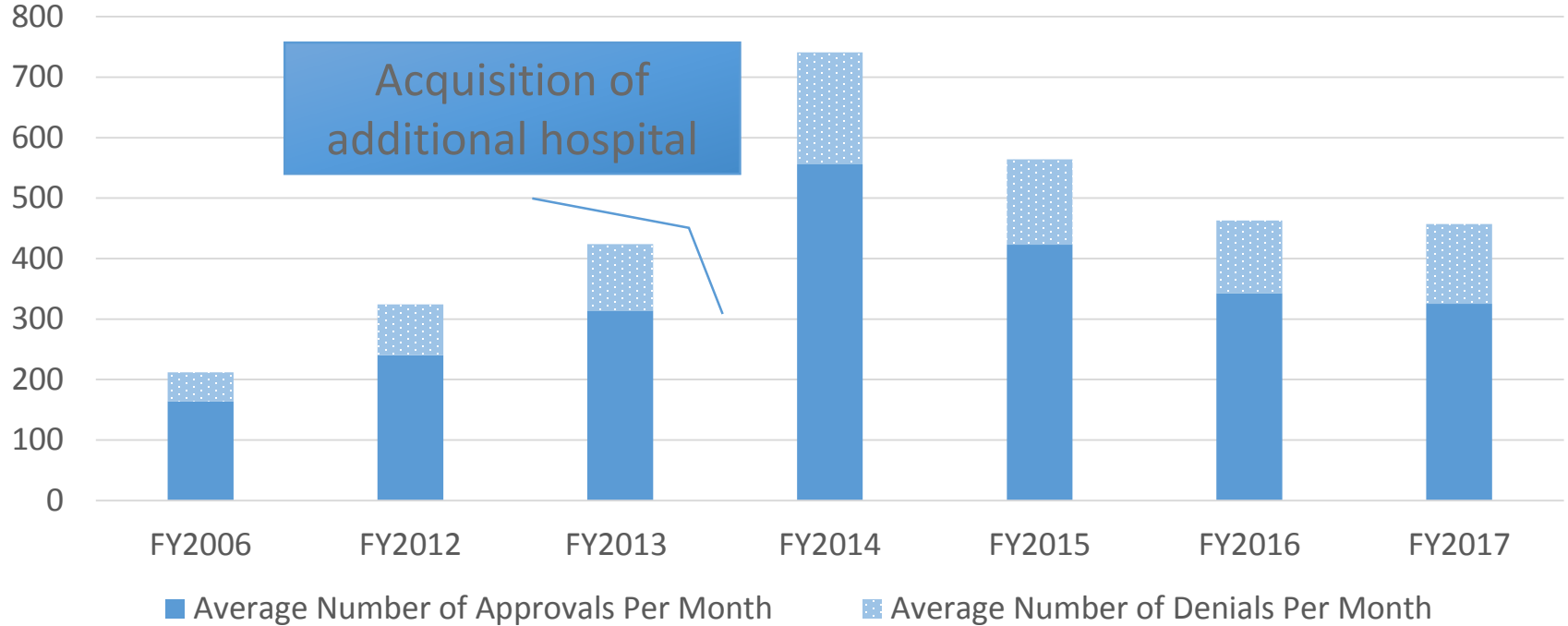
## Available Physician Champions

- ID
- Anesthesia
- General
- Oncology

# Evolution of the Formulary Consult



# Average Monthly Consults

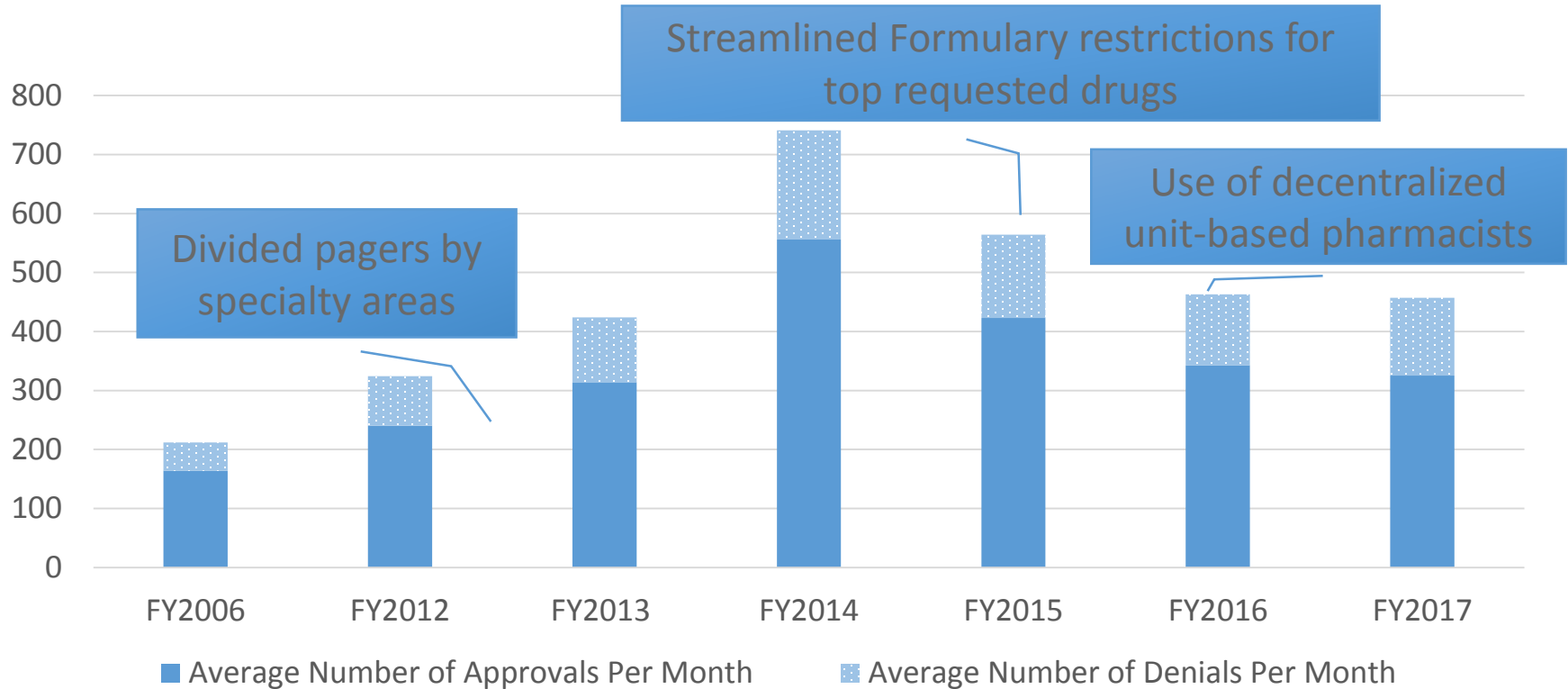


# Drivers for Change

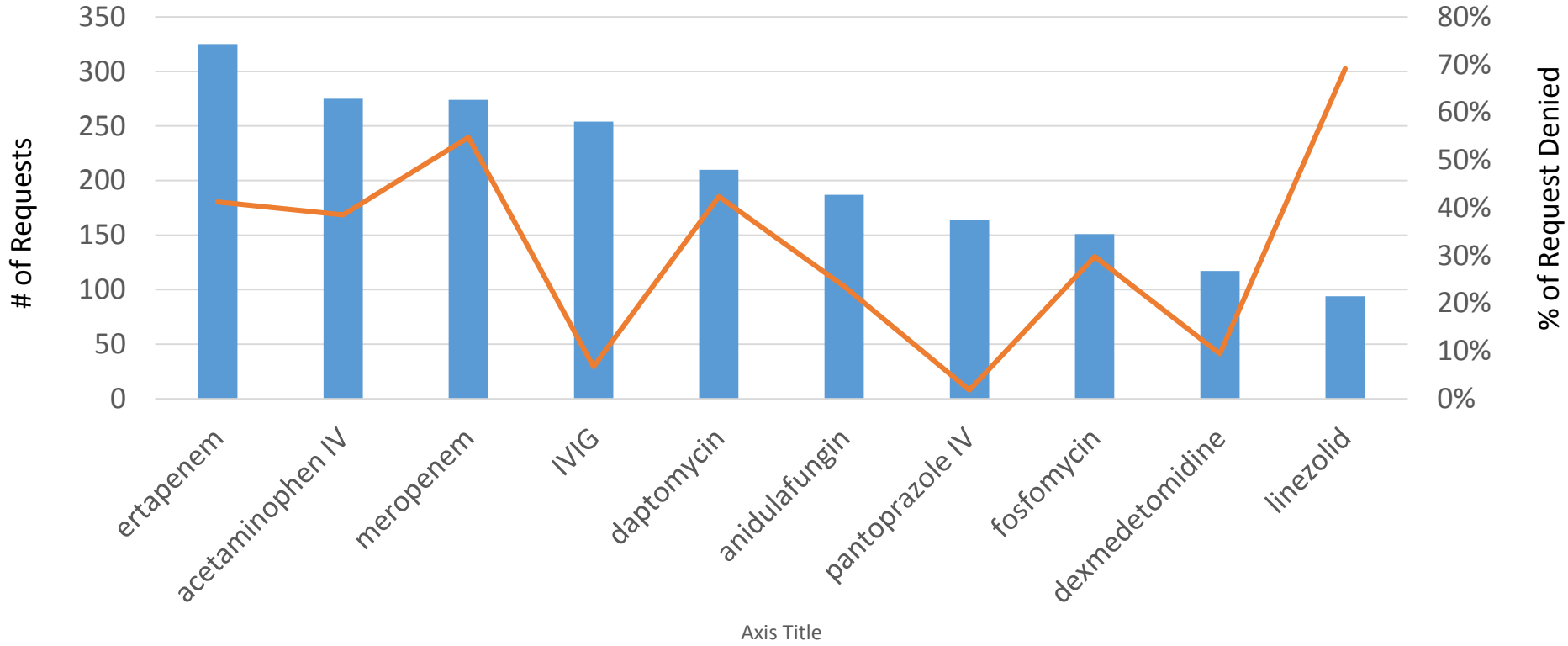
Expectation  
for  
immediate  
response

- Increase in request volume
  - Day shift volume
- Increase in requests due to drug shortages
- Complaints from providers

# Average Monthly Consults



# FY 17 Top Drugs Requested and % Denied



# Cost Benefit Analysis FY16

<b>Cost Avoidance for Top 15 Denied Requests FY16</b>		<b>Total \$</b>
<b>[(Drug Cost of Denied Drug X LOT) – (Alternative Drug Cost X LOT)]</b>		<b>\$324,451</b>
<b>Operational Resource Costs</b>		<b>Total \$</b>
<b>Resident time</b>	<b>(46weeks/52 weeks) X Annual Stipend (\$48K)</b>	<b>\$42,500</b>
<b>Pharmacist time</b>	<b>Annual Salary of DI Pharmacist (\$120K) X 25% of time for Formulary Pager Calls</b>	<b>\$30,000</b>
	<b>6 weeks X 128hrs/week X \$5/hr on-call x2 Pharmacists</b>	<b>\$7680</b>
<b>Subtotal</b>		<b>\$80,180</b>
<b>Cost-Benefit (costs avoided + resource costs)</b>		<b>\$244,271</b>

*Calculated Pharmacist Salary costs based on Connecticut median compensation per the US Dept. of Labor Bureau of Labor Statistics*

# Future Directions

Internal smartphone system and CPOE to facilitate evaluation

Allows provider to directly contact decentralized pharmacist

Expansion across the System

Improved tracking process

Expedited Review Process

Accelerated process to build new drugs in CPOE System

# Take It Away

- Formulary Consult Service brings drug use policy to point of care
- Educational opportunities for prescriber and pharmacists
- The calculated cost-savings is a conservative estimate as it does not account for the requests that are avoided by having this process in place

# Questions?

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