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# THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON, DC 20301-1200

23 Mar 98

**MEMORANDUM FOR:** SURGEON GENERAL OF THE ARMY

SURGEON GENERAL OF THE NAVY

SURGEON GENERAL OF THE AIR FORCE

**SUBJECT:** Policy for Implementation of the DoD Pharmacy and Therapeutics Committee

A central factor in successful formulary management is methodical review and evaluation of the products offered and a means to make changes to the formulary in response to changing therapies and economic factors. We must establish such a mechanism to ensure that the DoD Basic Core Formulary, which governs the drugs carried by our military pharmacies, does not remain static. A DoD Pharmacy and Therapeutics Committee is established to achieve this end. It is critical that this function be performed primarily by physicians actively involved in patient care and knowledgeable of current drug therapies.

An additional significant function of the DoD P&T will be to determine which therapeutic classes should be closed, thereby being candidates for committed use requirements contracts with the Department of Veterans Affairs. By maximizing our collective purchasing power through volume-based, committed use contracts, substantial cost-savings can be realized.

The attached <u>DoD Pharmacy and Therapeutics Committee Implementation Plan</u> outlines membership and responsibilities. As the Surgeon General, you need to appoint three representatives to the DoD P&T Committee; two physicians and one pharmacist. To facilitate implementation of the Basic Core Formulary, it is essential that the DoD P&T Committee be appointed and hold its first meeting within 30 days of the date of this letter. My points of contact are the Director of the Pharmacoeconomic Center, Colonel Moran (DSN 421-1271) and the Deputy Director, DoD Pharmacy Programs, Colonel Hobbs (DSN 761-8910).

Gary A. Christopherson Acting Assistant Secretary of Defense

Attachment:

#### IMPLEMENTATION PLAN

## DOD PHARMACY AND THERAPEUTICS COMMITTEE

## I. GENERAL PROVISIONS

The Department of Defense (DoD) Pharmacy and Therapeutics (P&T) Committee is responsible for deciding which drugs are included on the Basic Core Formulary (BCF) and the National Mail Order Pharmacy (NMOP) formulary.

#### II. PROCEDURES

The DoD P&T Committee is composed of 12 voting members and additional non-voting members as outlined below. The Committee will be co-chaired by one of the physician members as designated by Health Affairs and the director of the DoD Pharmacoeconomic Center (PEC).

# A. Voting Members

- 1. Two physicians and one pharmacist from each Service appointed by the respective Service Surgeon General.
- 2. Director of the DoD PEC.
- 3. A physician or pharmacist from the United States Coast Guard.
- 4. A physician or pharmacist from the Department of Veterans Affairs.

## B. **Non-Voting Members**. One representative each from:

- 1. Defense Medical Standardization Board.
- 2. Defense Supply Center Philadelphia (DSCP).
- C. The DoD P&T Committee will meet at least quarterly. Two of these meetings will be held approximately six months apart at the DoD PEC. Other meetings will be held via video and/or audio teleconference.

D. Voting members will be funded for travel to in-person meetings by their respective Services/ organizations. Non-voting members will be responsible for their own travel expenses.

#### III. RESPONSIBILITIES

- A. The DoD P&T Committee shall retain approval authority for changes to the BCF and NMOP formulary, for any of the following:
  - 1. Requests for changes to the BCF and the NMOP formulary from within the Military Health System (MHS).
  - 2. Candidates for volume-based, committed use requirements contracts with the DVA, resulting in closed therapeutic classes on both the BCF and NMOP formulary.
  - 3. Pharmacoeconomic analyses conducted by the PEC.
  - 4. Trend analyses from special order requests submitted for non-BCF agents from within a closed therapeutic class.
  - 5. Newly marketed pharmaceuticals.
    - a. A Food and Drug Administration (FDA) designated **1S** drug (FDA standard review--no therapeutic gain over currently marketed drugs) will not generally be considered for addition to the BCF or NMOP, unless requested by a Military Treatment Facility (MTF) and/or the drug has been on the market for at least one year.
    - b. An FDA designated **1P** drug (FDA priority review--therapeutic advance over currently marketed drugs) will automatically be considered for addition to the BCF and NMOP, even if not requested by an MTF.
- B. The Surgeons General of the Army, the Navy, and the Air Force shall:
  - 1. Appoint three representatives, two physicians and a pharmacist, as voting members to the DoD P&T Committee to serve at least one year, but for no more than three years, and provide travel funds to attend in-person meetings.
  - 2. Ensure changes to the BCF are implemented.

# C. MTF Commanders shall:

1. Implement BCF changes in their MTF formulary.

- 2. Submit requests for changes to the BCF to the DoD PEC according to Appendix A.
- 3. Submit special purchase request data for non-BCF drugs from within a closed therapeutic Class to DoD PEC according to Appendix B.
- 4. Actively enforce committed use requirements contracts resulting in closed therapeutic classes of drugs.

#### D. The DoD Pharmacoeconomic Center Director shall:

- 1. Serve as the co-chairman of the DoD P&T Committee.
- 2. Ensure publication of changes to the BCF on the PEC World Wide Web (WWW) site and in the PEC Update.
- 3. Prepare and distribute agendas and minutes to all members for each DoD P&T Committee meeting.
- 4. Identify candidates for committed use volume contracts with the DVA.
- 5. Arrange for necessary support functions for the DoD P&T committee, Including legal counsel.

#### E. The Defense Medical Standardization Board shall:

- 1. Ensure that military readiness issues involving pharmacotherapy are brought to the attention of the DoD P&T Committee.
- 2. Appoint a representative to attend the DoD P&T Committee as a non-voting member and provide travel funds for in-person meetings.

# F. The Defense Supply Center Philadelphia:

- 1. Pursue contracting initiatives as recommended by the DoD P&T Committee and the DoD PEC.
- 2. Appoint a staff physician or pharmacist to attend the DoD P&T Committee meetings as a non-voting member and provide travel funds for in-person meetings.

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Last update: 1/4/1999