

# Strategies for Developing and Maximizing a Formulary

## *Differentiate your pharmacy with a list of drugs optimized for the geriatric population*

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Aging Baby Boomers are living longer and receiving increasing quantities and combinations of medication, contributing to an estimated drug spend of \$6.4 billion for long-term care (LTC) pharmacies in 2015 — \$1.2 billion more than was reported in 2014.<sup>1</sup> In this highly regulated class of trade, pharmacies are on the hook to help skilled nursing facilities reduce F-tags, which are federal regulations for long-term care facilities. In addition, they are expected to dispense the best drugs possible and manage clinical outcomes amidst reimbursement pressures and demands to contain costs.

Forced to do more with less, many LTC pharmacies are seeking new ways to standardize processes, increase efficiency and minimize inventory costs. Understanding the opportunities of introducing a geriatric formulary can help you reduce costs, maintain quality care and gain a competitive advantage in the closed-door LTC pharmacy space.

### **What is a geriatric formulary?**

A geriatric formulary is an optimized list of highly effective, most-commonly used drugs developed specifically to guide LTC pharmacies in dispensing the best medications possible for the geriatric population. Formulary development should take into account the physiological changes of aging and evaluate drug interactions and side effect profiles. Each drug is thoroughly reviewed through extensive research, using a variety of sources such as the Beers Criteria Medication List, which identifies potentially inappropriate medications for the elderly. For more information, visit [dcricri.org/trial-participation/the-beers-list](http://dcricri.org/trial-participation/the-beers-list).

A geriatric formulary should be clinically vetted internally by a pharmacy and therapeutics (P&T) committee or by an alternative independent third party.

### **Maximize your geriatric formulary**

You can empower pharmacists to dispense the best drug possible for each patient by making your formulary meaningful, credible and consistent. Be sure to identify top-used drugs by therapeutic category and conduct thorough clinical evaluation using standard criteria when developing your geriatric formulary. Then update the formulary regularly to reflect any FDA and industry changes. Consider using an independent third party to develop and maintain your formulary, as this lends credibility to the drugs prescribed and reassures your nursing home partners that your recommendations are clinically sound.

### **Improve your pharmacy's clinical, financial and competitive outcomes**

Having an independent third party clinically vet the formulary enhances the credibility and consistency of therapeutic recommendations made by facility-level consultant pharmacists. The therapeutic consistency seen among multi-facility customers in turn enhances the value of your clinical programming. In addition, the formulary will give your customers confidence and clarity, thus helping to improve your existing partnerships and business objectives. Last, it will enhance differentiation in the marketplace allowing for future growth and retention.



## Advantages of a geriatric formulary

Your LTC pharmacy can improve clinical and financial outcomes by using a geriatric formulary to:

- **Help comply with nursing home (F-tag) regulations**  
Patients frequently enter the nursing facility from an acute care environment on a host of medications that may not be necessary or optimal. Partner closely with the facilities you serve to maximize their compliance with unique regulations that govern this class of trade, and help them avoid costly penalties.
- **Enhance Medicare A to Medicare D continuity**  
Minimize costs to the facility by avoiding non-covered drugs as patients roll from Med A to Med D and as the facility becomes responsible for all non-covered drugs. By starting patients on optimal therapies under Med A that are most likely to be covered under Med D, your pharmacy can help increase continuity for the patient AND reduce non-covered costs for the facility.
- **Promote consistency across consultant pharmacists**  
Establish credibility and confidence in your pharmacy through a preferred drug list that takes the guesswork out of medication review and interchanges. With a credible preferred drug list developed specifically for geriatric patients, your consultant pharmacists are in a better position to standardize drugs across facilities, which helps your pharmacy with inventory forecasting and cost reduction.
- **Facilitate cost containment through therapeutic interchange**  
Utilize the preferred drug list to develop and provide a roadmap for alternatives to higher-cost branded drugs and those less appropriate for a geriatric population.
- **Lower operating costs through minimized on-hand inventory**  
Easily standardize medications across facilities to reduce inventory on the shelf.
- **Support business decisions**  
Elevate your clinical program by making recommendations that are clinically superior and consistent.
- **Serve as a key differentiator**  
Make your pharmacy operator a more strategic partner better equipped to win and retain nursing facilities' business and compete in the LTC market.
- **Reduce acute care readmissions**  
Help improve patient care and maximize clinical outcomes by providing safe, effective medications.

*To learn more about McKesson's support for post-acute therapeutics formulary management, email [alternatesite@mckesson.com](mailto:alternatesite@mckesson.com).*

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<sup>1</sup> MHA Independent Long-Term Care Member Study, Managed Health Care Associates, Inc., 2015

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