

In the News

New Drug Surveillance Program

In the past year, we have seen a trend toward pharmaceutical manufacturers raising prices on some existing brand and specialty drugs, or taking rivals or generic drugs, modifying them slightly and selling them at exorbitant prices. Two examples of this practice are EpiPen® (severe allergic reactions) and Daraprim® (parasitic infections). To combat this practice, Medical Mutual is implementing a new Drug Surveillance Program on July 1, 2017.

As part of this program, a committee of pharmacists and physicians will continuously review prescription drugs and determine if certain drugs should be **excluded from coverage** because they are deemed not “medically necessary.” Medical necessity for a prescription drug in this case means it is cost effective compared to alternative prescription drugs that will produce comparable effective clinical results. These decisions will be based on clinical medical management techniques and evidence-based research. Once we identify a drug to exclude through this program, we will identify members who have filled a prescription for an excluded drug and send them a letter approximately 60 days in advance of the coverage change, indicating one or more alternative medications. Additional alternatives may be available beyond what is listed in the letter. Because we are actively looking for new drugs and price increases, we expect very few members to be affected each week. For a listing of covered drugs, please consult the applicable formulary guide books below:

- [Basic/Basic Plus Formulary](#)
- [High Performance Plus Formulary](#)
- [National Preferred/National Preferred Plus Formulary](#)

One example of this drug surveillance process is for the diabetes drug metformin ER:

- Three brand-name metformin extended-release products (Glucophage XR® , Glumetza® and Fortamet®) have generic equivalents available in the marketplace.
- All three generics are clinically equivalent with the same active ingredient and an extended release mechanism; however, minor tweaks to the composition of the tablets themselves mean they are not interchangeable at the pharmacy counter (i.e., a pharmacist cannot automatically substitute one for another at the counter; instead, the pharmacist may need to contact the prescriber to authorize the substitution).
- The generic equivalent for Glucophage XR costs a few dollars per month, while the generic equivalents for Glumetza and Fortamet cost hundreds or thousands of dollars per month and offer no additional clinical benefit when compared to generic Glucophage XR.
- In this example, we will exclude coverage of the generics for Glumetza and Fortamet, but continue to cover the clinically equivalent generic for Glucophage XR. Members will still be able to fill prescriptions for metformin ER (generic Glucophage XR) to treat their condition.
- Further research and consultation with network providers shows that many prescribers are unaware there are multiple formulations of metformin extended-release that vary so widely in cost.
- To further complicate matters, these drugs are often listed in electronic prescribing systems in ways that make it difficult to tell they are different products. This has led to patients being inadvertently moved from low-cost formulations to high-cost formulations.