

Department of Defense Pharmacoeconomic Center

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Fort Sam Houston, TX 78234-6190

MCCS-GPE

18 November 1999

MEMORANDUM FOR Assistant Secretary of Defense (Health Affairs)

SUBJECT: Minutes of the Department of Defense (DoD) Pharmacy and Therapeutics (P&T) Committee Meeting

1. In accordance with Health Affairs policy 98-025, a meeting of the DoD P&T committee convened at 0800 hours on 18 November 1999, at the DoD Pharmacoeconomic Center (PEC), Fort Sam Houston, TX.

2. MEMBERS PRESENT:

COL Daniel D. Remund, MS	Co-chairman
CDR Terrance Egland, MC	Co-chairman
COL Rosa Stith, MC	Army
LTC Judith O'Connor, MC	Army
Danielle Doyle	Army
CDR Matt Nutaitis, MC	Navy
LCDR Kevin Cook, MSC	Navy
COL (select) Bill Sykora, MC	Air Force
LTC John R. Downs, MC	Air Force
MAJ George Jones, BSC	Air Force
CDR Robert W. Rist	Coast Guard
Ronald L. Mosier	Department of Veterans Affairs (alternate)
COL George Crawford, MS	Joint Readiness Clinical Advisory Board
LTC Steven Humburg, MC	Health Affairs
MAJ Mickey Bellemin, BSC	Defense Supply Center Philadelphia (DSCP)
Trevor Rabie	Uniformed Services Family Health Plans (USFHP)
Ray Nan Berry	Foundation Health
Kirby Davis	Anthem Alliance
William Hudson	Humana, Inc
Gene Lakey	TriWest
Ron McDonald	Sierra Military Health Services

3. OTHERS PRESENT:

CAPT Charlie Hostettler, MSC	DoD Pharmacy Program Director, TMA
Howard Altschwager	Deputy General Counsel, TMA
David Chicoine	Uniformed Services Family Health Plans (USFHP)
COL Jeffery Meffert, MC	BAMC, Dermatology
CDR Mark Brouker, MSC	DoD Pharmacoeconomic Center
LCDR Mark Richerson, MSC	DoD Pharmacoeconomic Center
MAJ Barbara Roach, MC	DoD Pharmacoeconomic Center
MAJ Ed Zastawny, BSC	DoD Pharmacoeconomic Center
Eugene Moore	DoD Pharmacoeconomic Center
Shana Trice	DoD Pharmacoeconomic Center
Mark Petruzzi	Merck-Medco
LTC Gary Blamire, BSC	TRICARE Southwest Lead Agent Office

4. ADMINISTRATIVE ISSUES:

- A. Introduction of new members and attendees: Trevor Rabie, MD, is a new committee member representing the Uniformed Services Family Health Plans (USFHP). Howard Altschwager is a new attendee as legal counsel for the DoD P&T Committee.
- B. The minutes from the 13 Aug 99 meeting were accepted as written.
- C. The co-chairs reported an interim decision to temporarily discontinue the 10-tablet quantity limit for zolpidem (Ambien) because almost all NMOP prescriptions were written for more than 10 tablets and many patients complained about the quantity limit. The labeling for zolpidem recommends that therapy should generally be limited to 7 to 10 days of use, but medical literature supports longer-term use of zolpidem for patients with chronic insomnia. The committee decided that zolpidem should be subject to the standard quantity limit of a 30-day supply for controlled substances.

5. OLD BUSINESS

- A. Non-preferred/preferred drug pairs in the NMOP
 1. CDR Brouker (PEC) reported that the cumulative switch rates from non-preferred to preferred drugs observed from 29 May 99 to 6 November 99 were similar to the switch rates observed from 29 May 99 to 31 July 99. The overall switch rate was 57%. The committee removed Zileuton (Zyflo) from the list of non-preferred drugs because the NMOP received only six prescriptions for the drug in 24 weeks, and only one of those prescriptions was switched to a preferred drug.
 2. MAJ Bellemin reported that Merck-Medco has not yet implemented the new non-preferred/preferred drug pairs approved at the August 1999 P&T meeting. Merck-Medco will implement them on 1 Dec 99.

3. CDR Brouker will design a standard report for monitoring processes and outcomes related to non-preferred/preferred drug pairs in the NMOP. The report will include switch rate data, the resulting distribution of prescriptions within the pertinent drug classes, and the estimated cost avoidance. CDR Brouker will submit a draft of the report to the committee co-chairs not later than 17 December 1999. CDR Brouker will submit the finalized version of the report to the committee at the next meeting.

B. Prior authorizations in the NMOP

1. MAJ Bellemin reported that Merck-Medco has implemented prior authorization processes for celecoxib (Celebrex), rofecoxib (Vioxx), etanercept (Enbrel), and sildenafil (Viagra). He will present data concerning the cost-efficiency of prior authorizations at the next meeting.

2. Military treatment facility (MTF) providers are concerned about the amount of time they spend dealing with phone calls and fax forms from Merck-Medco for drugs requiring prior authorization. MTF providers requested that prior authorization fax forms be posted on the PEC website so that they could save time by filling out the form and having the patient submit it along with the prescription to the NMOP. Mark Petruzzi stated that Merck-Medco would concur with the proposal as long as the actual form approved by Merck Medco was posted on the PEC website. He further stated that prescriptions would be filled without calling prescribers if the prescriptions are submitted along with the correct form and meet the prior authorization criteria. The committee directed the PEC to post the prior authorization fax forms (instead of the prior authorization criteria) on the PEC website. Sufficient explanation and directions will be provided on the website to enable prescribers to fill out the fax form correctly and to emphasize that the forms are intended to facilitate sending prescriptions to the NMOP program only, not to the retail network.

- C. Report on starter packs—MTFs may accept starter packs from pharmaceutical companies to the extent that the price paid for a drug includes the cost of any starter packs that are supplied by the pharmaceutical company. Present and future contracts (and DAPAs until they are deleted) should be reviewed to ensure they incorporate language to the effect that the prices charged for the drugs shall include the cost of any starter packs which may be distributed to DoD facilities and given to patients. The DOD Pharmacy Board of Directors recommended that MTFs determine local policy for the use of starter packs, with the caveat that starter packs should be dispensed by the pharmacy and not in the physician's office.
- D. Report of the formulary management subcommittee—COL Remund reported that the task originally assigned to the subcommittee will be performed by a workgroup formed by TMA to draft regulations pertaining to the pharmacy benefit section of the FY 00 Defense Authorization Act. The subcommittee was dissolved.
- E. Report of the fertility drugs subcommittee—This issue was tabled pending resolution of formulary redesign issues.

- F. Report of the weight reduction subcommittee—TRICARE policy currently excludes coverage of drug therapy for weight reduction. MAJ Barb Roach (PEC) reported that a review of drug therapy for weight reduction did not reveal a compelling clinical imperative to recommend coverage for such therapy. The committee decided not to recommend any change to the TRICARE policy.
- G. Advances in Medical Practice (AMP) funding initiative—A subcommittee was to have developed a list of drugs that could possibly be purchased with AMP funds, but officials responsible for the AMP program needed the list before the subcommittee could meet. The PEC gave the AMP officials a list of newly approved drugs that were categorized as to their relative clinical importance based on the degree of therapeutic advance over other agents, the severity/intractability of the condition, and the availability of other agents. The AMP officials will use this list to help determine which drugs should be obtained with AMP funding.
- H. Status of TRICARE/CHAMPUS Policy Manual changes pertaining to pharmacy —CAPT Hostettler reported that Chapter 7 of the TRICARE/CHAMPUS Policy Manual has officially been changed so that quantity limits and prior authorizations apply uniformly to the NMOP and retail pharmacy networks.

6. NEW BUSINESS

- A. Quantity Limits—MAJ Bellemin reported on quantity limits issues that were pending from the last meeting:

Blood product/biotech products: The committee decided that quantity limits on antihemophilic factors (e.g., Factor VIII, Factor IX Complex) were unnecessary, given the small number of prescriptions received by the NMOP for these agents. MAJ Bellemin informed the committee that the NMOP has quantity limits for other agents in this category that were not included on the list that the committee approved at the August 1999 meeting.

Topicals: Information regarding the typical quantities dispensed for five high-cost topicals (imiquimod (Aldara); calcipotriene (Dovonex); altitretinoin (Panretin); becaplermin (Regranex); and tazarotene (Tazorac)) is not yet available from Merck-Medco. Mark Petruzzi (Merck-Medco) will supply this information to a subcommittee consisting of Bill Hudson (Humana; subcommittee chair), MAJ George Jones, and all Managed Care Support Contractor (MCSC) pharmacy representatives. The subcommittee will formulate recommendations for quantity limits for these topical agents. An interim report is due to the co-chairs not later than 20 January 2000, and a full report is to be submitted to the committee at the next meeting. MAJ Bellemin informed the committee that the NMOP has quantity limits for other topicals that were not included on the list that the committee approved at the August 1999 meeting.

Antibiotics: MAJ Bellemin reported no problems with the current quantity limits on antibiotics. MAJ Bellemin also informed the committee that the NMOP has quantity limits for other antibiotics that were not included in the list that the committee approved at the August 1999 meeting.

Fertility Agents: MAJ Bellemin reported no problems or patient complaints associated with the 20 ampules per prescription quantity limit on injectable fertility agents.

Ophthalmics: MAJ Bellemin reported no problems with quantity limits on ophthalmics established at the last meeting.

Ondansetron for hyperemesis gravidarum: The quantity limits for ondansetron do not support the use of ondansetron for hyperemesis gravidarum. Ondansetron is Pregnancy Category B and should be used during pregnancy only if the potential benefit justifies the potential risk to the fetus. Consultation with MTF specialists indicated that ondansetron is not widely used or recommended for hyperemesis gravidarum. However, Gene Lakey (TriWest) reported that second level medical review through TriWest concluded that ondansetron is appropriate for hyperemesis gravidarum for some patients. The typical procedure in the retail network is to override the quantity limit if the medical review determines that a larger quantity is medically appropriate. The committee decided not to change the quantity limit for ondansetron in either the NMOP or the retail network because the small number of cases where ondansetron is used for hyperemesis gravidarum can be managed on an exception basis.

Actions: MAJ Bellemin and Mark Petruzzi (Merck-Medco) will supply a list of all NMOP quantity limits to the PEC. The PEC will then update the quantity limits listed on the PEC website. The PEC will submit a comprehensive list of all quantity limits for the NMOP and retail pharmacy networks for the committee to review at the next meeting.

- B. Prior authorization for oral antifungal medications (NMOP and retail network)—TMA officials asked the committee to render an opinion about prior authorization criteria that attempt to differentiate between cosmetic and non-cosmetic use of oral terbinafine (Lamisil) for onychomycosis. COL Jeffery Meffert, MC, BAMC Dermatology, assisted the committee as a guest expert. After extensive discussion, the committee reached general agreement on the following points:
- It is difficult to clearly define and accurately differentiate cosmetic use from non-cosmetic use of oral terbinafine.
 - Systemic antifungal therapy should not be instituted unless the presence of a fungal infection is clearly established by KOH prep, culture, or PAS stain. Use of systemic antifungal therapy in the absence of a fungal infection unnecessarily exposes the patient to the risk of adverse effects and wastes money.
 - The pulse dosing of terbinafine for the treatment of onychomycosis provides the same degree of effectiveness and offers significant economic advantage over daily dosing.
 - Even though the initial treatment with oral terbinafine usually eliminates the fungal infection, the nails may remain discolored until they grow out. It is inappropriate to continue oral terbinafine therapy just because the nails are discolored.

- A prior authorization program for oral terbinafine could potentially shift usage to itraconazole, which is even more expensive than terbinafine for onychomycosis.

The committee concluded that oral terbinafine should be subject to prior authorization that focuses on the appropriate diagnosis of onychomycosis and appropriate duration of therapy. The committee co-chairs will finalize the prior authorization criteria for oral terbinafine. The prior authorization program for oral terbinafine will be monitored for a shift in usage to the more expensive agent.

- C. The committee considered a number of drugs for addition to the BCF and the NMOP Formulary. See Appendix A for a list of formulary changes.
- D. Prior authorization for growth hormone treatment — The committee decided that in light of the costs associated with growth hormone treatment and the potential for inappropriate use, a subcommittee should evaluate the need for prior authorization and recommend appropriate criteria. The subcommittee will be chaired by Bill Hudson (Humana) and includes MAJ George Jones, MAJ Mickey Bellemin, Ray Nan Berry (Foundation Health), Kirby Davis (Anthem Alliance), William Hudson (Humana), Gene Lakey (TriWest), and Ron McDonald (Sierra Military Health Services). The subcommittee will evaluate current utilization in the NMOP and retail networks, formulate potential prior authorization criteria, and estimate potential cost savings associated with a prior authorization program. The subcommittee will submit an interim report to the co-chairs not later than 20 January 2000 and will provide the finalized report and recommendations to the committee at the next meeting.
- E. Oral inhaled corticosteroids—On 1 November 1999 the price of the Schering brand of beclomethasone inhaler (Vanceril) increased from \$5.75 to \$19.27, and the price of the double strength beclomethasone inhaler (Vanceril DS) increased from \$6.90 to \$27.02. The committee decided to remove beclomethasone and beclomethasone double strength oral inhaler from the BCF because they are now among the most costly inhalers for any given dosage range (see Appendix C).

Although the triamcinolone oral inhaler is now the only oral corticosteroid inhaler remaining on the BCF, that does not mean that MTFs should have only the triamcinolone inhaler on their formularies. MTFs almost certainly need more than one oral corticosteroid to satisfy the clinical needs of patients, but the committee did not want to mandate a specific inhaler by selecting another inhaler for the BCF. Price instability within the drug class, the anticipated introduction of products reformulated without chlorofluorocarbons, and the impending introduction of a new agent make it difficult for the committee to ascertain which inhaler (in addition to triamcinolone) provides the greatest value. The committee recommends that MTFs consider the information provided in Appendix C in selecting agents for MTF formularies.

- F. Selective serotonin reuptake inhibitors—The BCF currently specifies that MTFs must have at least one SSRI on their formularies, but the BCF does not identify a specific SSRI. The committee considered two options regarding the status of SSRIs on the BCF:
- Option 1: Add citalopram, fluoxetine, paroxetine, and sertraline to the BCF and provide information that the MTFs and/or TRICARE regions could use to encourage greater use of the more cost-effective agents.

- Option 2: Continue the current status of SSRIs on the BCF and provide information that the MTFs and/or TRICARE regions could use to encourage greater use of the most cost-effective agents.

The committee selected Option 2 because of concern that Option 1 would cause large increases in expenditures for SSRIs at MTFs that currently have only one SSRI on formulary. The BCF will continue to specify that MTFs must have at least one SSRI on their formularies. The committee directed the PEC to provide information about the relative cost-effectiveness of the SSRIs to MTFs and TRICARE regions. The committee strongly encourages MTFs and TRICARE regions to maximize the use of the most cost-effective SSRIs when consistent with the clinical needs of patients.

- G. Withdrawal of betaxolol (Betoptic; Alcon) ophthalmic solution—The committee approved a change in the BCF listing for "betaxolol ophthalmic solution" to "betaxolol ophthalmic suspension" as a result of the withdrawal of betaxolol ophthalmic solution from the market. Betaxolol ophthalmic suspension (Betoptic S; Alcon) remains available. Another ophthalmic beta-blocker, timolol, is also on the BCF.
- H. Unavailability of propranolol LA —Mel Miller (PEC) informed the committee that Wyeth-Ayerst sent a letter to physicians and patients concerning an anticipated shortage of both Inderal LA and generic propranolol LA, both of which are made by Wyeth-Ayerst. The committee concluded that this is probably not a significant issue for DoD because propranolol LA (brand and generic) accounts for a relatively small proportion of oral beta-blockers used by DoD facilities. Additionally, Wyeth-Ayerst has notified its customers that it will be shipping product by mid-December, so any shortages will be short-lived.
- I. Legislation regarding the DoD P&T Committee and DoD formulary management—Capt Hostettler and Mr. Altschwager briefed the committee on the FY00 Defense Authorization Act that amends Chapter 55 of title 10, United States Code, to establish a DoD Pharmacy Benefits Program. The Pharmacy Benefits Program provides for the establishment of a uniform formulary, a DoD P&T Committee, and a Uniform Formulary Beneficiary Advisory Panel that will review and comment on the development of the uniform formulary and subsequent formulary changes.
- J. Pharmaceutical contracts awarded since last P&T meeting—COL Remund reported that DoD statin contracts were awarded to Merck for simvastatin (Zocor) and to Bayer for cerivastatin (Baycol). These contracts “close” the statin class on the BCF. A joint DoD-VA contract was awarded to Novo Nordisk for 10 mL vials of human insulin (rDNA) N, R, L, and 70/30. Joint DoD-VA generic contracts were awarded for specific brands of amantadine capsules, amoxicillin capsules, captopril tablets, fluocinolone solution, fluocinonide cream, fluocinonide ointment, fluocinonide solution, nortriptyline capsules, prazosin capsules, and verapamil sustained-release tablets. A summary of national pharmaceutical contracts is provided in Appendix D.
- K. DoD P&T Committee involvement in pharmaceutical procurement contracts—Any pharmaceutical contracting initiative that is more complex than the simple selection of a specific brand among AB-rated generics should be sanctioned by the DoD P&T Committee

before a solicitation is issued.

L. Potential contracting initiatives:

1. *Estrogen replacement therapy*: Conjugated estrogen (Premarin) is on the BCF and has more than 90% of the estrogen replacement therapy market in DoD. The current price for Premarin tablets is nearly triple the price that existed when the drug was in the depot system. Alternate drugs are available to compete for market share. For example, a large HMO in the state of Washington achieved significant cost savings by converting more than 14,000 patients from conjugated estrogens to an esterified estrogen product. The committee recommended that DSCP and the PEC continue to explore the potential for a joint VA and DoD contract. The committee also recommended that DSCP explore potential price reductions through DAPA incentive agreements.
2. *Nicotine patches*: The joint DoD/VA clinical practice guideline for smoking cessation includes the use of nicotine patches. Drug therapy for smoking cessation is not a covered benefit in the NMOP and retail pharmacy networks. A nicotine patch is not listed on the BCF, but some MTFs provide nicotine patches as part of smoking cessation programs. The 3-step (21 mg, 14 mg, and 7 mg) nicotine patches account for the vast majority of DoD and VA nicotine patch usage. Four companies market a 3-step nicotine patch, so an opportunity exists for price competition. The committee favors a contracting initiative that will lower the cost of nicotine patches for those MTFs that choose to have a nicotine patch on their formulary. The committee, however, does not want to select a nicotine patch for the BCF and thus mandate that all MTFs have a nicotine patch on their formularies. The committee recommended that VA and DoD seek a joint contract for a single brand of 3-step nicotine patches. The committee recommended that the contract include the following provisions:
 - The contract would not require MTFs to have a nicotine patch on their formularies. If an MTF does have a 3-step nicotine patch on its formulary, it must be the contracted brand. An MTF may not have a non-contracted brand of 3-step nicotine patches on its formulary.
 - The nicotine patch class would remain “open” on the BCF. The contract would not affect the formulary status of other types of nicotine patches (i.e. 1-step (Nicotrol) or 2-step (Prostep) patches). MTFs could choose to have Nicotrol or Prostep patches on their formularies in addition to or instead of the contracted brand of the 3-step nicotine patch.
3. *Non-sedating antihistamines*: DoD expenditures are increasing significantly in this drug class. None of the agents are on the BCF. The following issues affect the potential for a joint contract for VA and DoD in this drug class:
 - Some MTFs oppose a contract that would add a non-sedating antihistamine to the BCF because they do not want to add a non-sedating antihistamine to the MTF formulary.
 - Some MTFs want a contract that adds a non-sedating antihistamine to the BCF in order to obtain significant price reductions.

- Definition of the drug class is problematic. Loratidine (Claritin) and fexofenadine (Allegra) are classified as “non-sedating” antihistamines. Cetirizine (Zyrtec) is considered a “low-sedating” antihistamine since the incidence of sedation in clinical trials with cetirizine is significantly more than with placebo. All three agents appear to be less sedating than conventional antihistamines.

The committee recommended that VA and DoD explore the possibility of a joint contract that would select a non-sedating antihistamine for the BCF and leave the class “open” on the BCF. The committee also recommended that DSCP should seek price reductions through DAPA incentive agreements.

7. ADJOURNMENT: The meeting adjourned at 1500 hours. The next meeting will be held on Thursday, 24 February 2000, at Portsmouth, Virginia. All agenda items should be submitted to the DoD PEC no later than Friday, 28 January 2000.

<signed>
DANIEL D. REMUND
COL,MS,USA
Co-chairman

<signed>
TERRANCE EGLAND
CDR, MC,USN
Co-chairman

LIST OF APPENDICES:

Appendix A: Formulary Changes

Appendix B: Reports Due to the Committee

Appendix C: Table: Cost per Month for Oral Inhaled Corticosteroids (Adults)

Appendix D: Table: DoD and DoD/VA Pharmaceutical Contracts

Appendix A: Formulary Changes

A. BCF

1. Beclomethasone and beclomethasone double strength oral inhalers were removed from the BCF.
2. The BCF listing for betaxolol ophthalmic solution was changed to betaxolol ophthalmic suspension as a result of the withdrawal of the solution formulation.

B. NMOP

1. Ketotifen fumarate ophthalmic solution (Zaditor; Ciba Vision) —added to NMOP Formulary
2. Pioglitazone (Actos; Takeda) —added to NMOP Formulary
3. Temozolomide (Temodar; Schering) —Bill Hudson (Humana) reported that pharmacies in national chains, which tend to have their own warehouses and distribution systems, have reported some trouble obtaining this drug, since the national chains have not been stocking this in their warehouses. Although the committee agreed that the NMOP is probably not the most efficient or desirable way for patients to acquire this chemotherapy agent, the committee agreed that temozolomide should be available through the NMOP. Added to the NMOP Formulary with a 30-day quantity limit (1 cycle).
4. Zaleplon (Sonata; Wyeth-Ayerst) —added to NMOP Formulary with a 30-day quantity limit due to its status as a Schedule IV drug as well as recommendations in product labeling
5. Doxercalciferol (Hectorol; Bone Care International) —added to NMOP Formulary
6. Cyanocobalamin intranasal gel (Nascobal; Schwarz Pharma) —The current excluded drug listing on the NMOP Formulary reads "Legend vitamins - Please note that legend formulations of folic acid, niacin, and vitamins D, K, and B12 (injection) are covered." The intranasal formulation of cyanocobalamin is an alternative for treatment of B12 deficiency states (in patients who are hematologically stable and do not have nervous system involvement). The committee agreed to change the excluded drug list notation to "Legend vitamins - Please note that legend formulations of folic acid, niacin, and vitamins D, K, and B12 are covered" and notify Merck-Medco that intranasal cyanocobalamin gel is covered.
7. Sermorelin acetate for injection (Geref; Serono) —This agent is growth hormone releasing hormone, indicated for treatment of idiopathic growth hormone deficiency in children with growth failure. It is useful only in children who retain pituitary responsiveness to growth hormone releasing hormone. Other growth hormone products are currently on the NMOP Formulary. Unlike the growth hormones, growth hormone-releasing hormone may be undetectable by current testing for growth hormone use in athletic competitions.

Added to NMOP Formulary only for patients who are 16 years old or younger. Mark Petruzzi (Merck-Medco) will report back to committee co-chairs if there are any problems with implementing the age edit in the NMOP.

8. Levonorgestrel tablets (Plan B; Women's Capital Corporation) —This emergency contraception product was excluded from the NMOP Formulary because it must be used within 72 hours of unprotected intercourse to be effective.
9. Rabeprazole (Aciphex; Eisai/Janssen) —excluded from the NMOP Formulary per contractual requirements of the proton pump inhibitor contract. Like lansoprazole (Prevacid; TAP), rabeprazole will be listed as a "non-contracted drug" on the NMOP Formulary. It will be provided by the NMOP only if medical necessity is substantiated.
10. Entacapone (Comtan; Orion/Novartis) —added to NMOP Formulary
11. Sirolimus solution (Rapamune; Wyeth Ayerst) —added to NMOP Formulary
12. Zileuton (Zyflo; Abbott) was removed from the list of non-preferred drugs.

Appendix B: Reports Due to the Committee

1. Growth hormone subcommittee (Bill Hudson (chair); MAJ George Jones; MAJ Mickey Bellemin; Ray Nan Berry (Foundation Health); Kirby Davis (Anthem Alliance); William Hudson (Humana); Gene Lakey (TriWest); Ron McDonald (Sierra Military Health Services)) — An interim report is due to the co-chairs not later than 20 January 2000, and a full report with recommendations is due at the next meeting of the P&T committee.
2. Listing of quantity limits on the PEC website — MAJ Bellemin and Mark Petruzzi (Merck-Medco) will supply a list of all NMOP quantity limits to the PEC. The PEC will then update its website to accurately reflect quantity limits for blood products/biotech products, antibiotics, topicals and other categories as necessary. The PEC will submit a complete report of all quantity limits for the NMOP and retail pharmacy networks for the committee to review at the next meeting.
3. Quantity limits for topicals — A subcommittee consisting of Bill Hudson (chair); MAJ George Jones; MAJ Mickey Bellemin; Ray Nan Berry (Foundation Health); Kirby Davis (Anthem Alliance); William Hudson (Humana); Gene Lakey (TriWest); and Ron McDonald (Sierra Military Health Services) will formulate recommendations for quantity limits on five high-cost topicals: imiquimod (Aldara); calcipotriene (Dovonex); altitretinoin (Panretin); becaplermin (Regranex); and tazarotene (Tazorac).
4. Non-preferred/preferred drug pairs standard report (see Paragraph 5A3) — CDR Brouker (PEC) will submit a draft of a standard report to the co-chairs not later than 17 December 1999. CDR Brouker will submit the finalized version of the report to the committee at the next meeting.
5. Prior authorization for oral antifungals — CDR Terry Eglund, COL Dan Remund will report the status of the prior authorization for oral terbinafine at the next meeting.

Appendix C: Cost per month for oral inhaled corticosteroids (adults)

NDC	Generic Name	Trade Name	Pkg sz	#Inh per unit	DAPA 10/99*	Number of puffs per day and approximate cost per month		
						Low dose**	Medium dose**	High dose**
173046900	Beclomethasone 42mcg/puff	Beclovent (Glaxo) MDI	6.7 GM	80	8.00	4 - 12 puffs \$12.00 - \$36.00	12 - 20 puffs \$36.00 - \$60.00	20 or more puffs \$60.00 +
173031288	Beclomethasone 42mcg/puff	Beclovent (Glaxo) MDI	16.8 GM	200	19.07	4 - 12 puffs \$11.44 - \$34.33	12 - 20 puffs \$34.33- \$57.21	20 or more puffs \$57.21 +
85111201	Beclomethasone 84mcg/Actuat	Vanceril-DS (Schering) MDI	12.2 GM	120	27.02	2 - 6 puffs \$13.51 - \$40.53	6 - 10 puffs \$40.53 - \$67.55	10 or more puffs \$67.55 +
85073604	Beclomethasone 42mcg/puff	Vanceril (Schering) MDI	17 GM	200	19.27	4 - 12 puffs \$11.56 - \$34.69	12 - 20 puffs \$34.69- \$57.81	20 or more puffs \$57.81+
186091542	Budesonide 200mcg/Inhl	Pulmicort (Astra) DPI	0.4 GM	200	67.42	1 - 2 puffs \$10.11 - 20.23	2 - 3 puffs \$20.23 - \$30.34	3 - 4 or more puffs \$30.34 - 40.45 +
456067099	Flunisolide 250mcg/puff Menthol	Aerobid-M (Forest) MDI	7 GM	100	2.79	2 - 4 puffs \$1.67- \$3.35	4 - 8 puffs \$3.35 - \$6.70	8 or more puffs \$6.70 +
456067299	Flunisolide 250mcg/puff	Aerobid (Forest) MDI	7 GM	100	2.79	2 - 4 puffs \$1.67- \$3.35	4 - 8 puffs \$3.35 - \$6.70	8 or more puffs \$6.70 +
173049700	Fluticasone 44mcg/puff	Flovent (Glaxo) MDI	7.9 GM	60	19.64	2 - 6 puffs \$19.64- \$58.92		
173049100	Fluticasone 44mcg/puff	Flovent (Glaxo) MDI	13 GM	120	13.78	2 - 6 puffs \$6.89 - \$20.67		
173049800	Fluticasone 110mcg/puff	Flovent (Glaxo) MDI	7.9 GM	60	24.57	2 puffs \$24.57	2 - 6 puffs \$24.57 - \$73.71	6 - 8 puffs \$73.71- \$98.28
173049400	Fluticasone 110mcg/puff	Flovent (Glaxo) MDI	13 GM	120	21.95	2 puffs \$10.98	2 - 6 puffs \$10.98 - \$32.93	6 - 8 puffs \$32.93 - \$43.90
173049900	Fluticasone 220mcg/puff	Flovent (Glaxo) MDI	7.9 GM	60	38.53			3 - 4 puffs \$57.80 - \$77.06
173049500	Fluticasone 220mcg/puff	Flovent (Glaxo) MDI	13 GM	120	45.97			3 - 4 puffs \$34.48 - \$45.97
173051100	Fluticasone 50 Mcg/Inhalation	Flovent Rotadisk (Glaxo) DPI	1.5 GM	60	12.95	2 - 6 puffs \$12.95 - \$38.85		
173050900	Fluticasone 100 Mcg/Inhalation	Flovent Rotadisk (Glaxo) DPI	1.5 GM	60	14.5		3 - 6 puffs \$21.75 - \$43.50	6 - 10 puffs \$43.50- \$72.50
173050400	Fluticasone 250 Mcg/Inhalation	Flovent Rotadisk (Glaxo) DPI	1.5 GM	60	34.73			2 - 4 puffs \$34.73- \$69.46
75006037	Triamcinolone 100mcg/puff	Azmacort (RPR) MDI	20 GM	240	9.6	4 - 8 puffs \$4.80 - \$9.60	8 - 12 puffs \$9.60 - \$14.40	12 - 16 puffs \$14.40 - \$19.20

* DAPA price for a 30-day supply as of 10/1/99 plus Schering price increases effective 11/1/99

** Dose in puffs or inhalations/day, derived from NHLBI Asthma Guidelines--Expert Panel 2 Report Figure 3-5b, page 88

Appendix D: DoD and DoD/VA Pharmaceutical Contracts

Drug	Manufacturer	Strength	NDC	Package Size	Package Cost	Tablet or Capsule Cost	Contract Base Period*	Potential Annual Cost Avoidance	
Albuterol inhaler	Warrick	0.09 mg/ inh	59930-1560-01	17 gm	\$1.75	NA	11/98-11/99	\$568,000	
Amantadine capsules	Invamed	100 mg	62269-0211-24	100	\$5.50	\$0.0550	8/99-8/00	\$16,000†	
			62269-0211-29	500	\$26.00	\$0.0520			
Amoxicillin capsules	Apothecon	250 mg	00003-0101-50	100	\$2.65	\$0.0260	8/99-8/00	\$69,121	
		500 mg	00003-0101-60	500	\$10.87	\$0.0220			
Captopril tablets	Apothecon	12.5 mg	59772-7045-01	100	\$1.17	\$0.0117	10/99-10/00	\$230,000	
			59772-7045-03	1000	\$9.24	\$0.0092			
		25 mg	59772-7046-01	100	\$1.25	\$0.0125			
			59772-7046-03	1000	\$10.77	\$0.0108			
Cerivastatin	Bayer	0.2 mg	59772-7047-01	100	\$2.10	\$0.0210	8/99-8/00	See Simvastatin	
			59772-7047-03	1000	\$16.50	\$0.0165			
			100 mg	59772-7048-01	100	\$5.14			\$0.0514
Cerivastatin	Bayer	0.3 mg	00026-2883-51	100	\$30.00	\$0.3000	8/99-8/00	See Simvastatin	
			00026-2884-51	100	\$30.00	\$0.3000			
			0.4 mg	00026-2885-69	30	\$9.00			\$0.3000
Cerivastatin	Bayer	0.4 mg	00026-2885-51	100	\$30.00	\$0.3000	8/99-8/00	See Simvastatin	
			00026-2885-51	100	\$30.00	\$0.3000			
			0.4 mg	00026-2885-51	100	\$30.00			\$0.3000
Cimetidine	Sidmak	300 mg	50111-550-01	100	\$3.12	\$0.0312	11/98-11/99	\$300,000‡	
			50111-550-02	500	\$14.20	\$0.0284			
			50111-550-03	1000	\$27.56	\$0.0276			
		400 mg	50111-551-04	60	\$2.72	\$0.0453			
			50111-551-01	100	\$4.04	\$0.0404			
			50111-551-02	500	\$18.40	\$0.0368			
800 mg	50111-551-03	1000	\$34.40	\$0.0344					
	50111-552-10	30	\$2.68	\$0.0893					
	50111-552-01	100	\$8.90	\$0.0890					
Diltiazem extended release tablets	Forest	120 mg	00456-2612-00	1000	\$270.00	\$0.2700	12/98-12/99	\$5.7 million	
			00456-2612-30	30	\$8.10	\$0.2700			
			00456-2612-90	90	\$24.30	\$0.2700			
		180 mg	00456-2613-00	1000	\$270.00	\$0.2700			
			00456-2613-30	30	\$8.10	\$0.2700			
			00456-2613-90	90	\$24.30	\$0.2700			
240 mg	00456-2614-00	1000	\$270.00	\$0.2700					
	00456-2614-30	30	\$8.10	\$0.2700					
	00456-2614-90	90	\$24.30	\$0.2700					
300 mg	00456-2615-00	1000	\$430.00	\$0.4300					
	00456-2615-30	30	\$12.90	\$0.4300					
	00456-2615-90	90	\$38.70	\$0.4300					
360 mg	00456-2616-00	1000	\$430.00	\$0.4300					
	00456-2616-30	30	\$12.90	\$0.4300					
	00456-2616-90	90	\$38.70	\$0.4300					
Fluocinolone solution	Bausch & Lomb	0.01%	24208-0465-63	20 ml	\$1.72	NA	9/99-9/00	Not significant	
			24208-0465-67	60 ml	\$2.12	NA			
Fluocinonide cream	Teva	0.05%	00093-0262-15	15 gm	\$1.00	NA	9/99-9/00	\$288,000	
			00093-0262-30	30 gm	\$1.50	NA			
			00093-0262-92	60 gm	\$2.25	NA			
Fluocinonide ointment	Teva	0.05%	00093-0264-15	15 gm	\$3.50	NA	9/99-9/00	\$288,000	
			00093-0264-30	30 gm	\$5.50	NA			
			00093-0264-92	60 gm	\$7.25	NA			
Fluocinonide soln	Teva	0.05%	00093-0266-39	60 ml	\$5.50	NA	9/99-9/00	\$288,000	
Lisinopril tablets	Zeneca	2.5 mg	00310-0135-10	100	\$14.00	\$0.1400	8/99-8/00	\$7.6 million	
			5 mg	00310-0130-39	100 UD	\$14.00			\$0.1400
				00310-0130-10	100	\$14.00			\$0.1400
		00310-0130-34		1000	\$140.00	\$0.1400			
		10 mg	00310-0131-39	100 UD	\$14.00	\$0.1400			
			00310-0131-10	100	\$14.00	\$0.1400			
			00310-0131-34	1000	\$140.00	\$0.1400			
		20 mg	00310-0131-73	3000	\$420.00	\$0.1400			
			00310-0132-39	100 UD	\$14.00	\$0.1400			
			00310-0132-10	100	\$14.00	\$0.1400			
		40 mg	00310-0132-34	1000	\$140.00	\$0.1400			
			00310-0132-73	3000	\$420.00	\$0.1400			
00310-0134-10	100		\$14.00	\$0.1400					

* Most contracts have options for renewal periods

† Estimate ranges from \$15,500 to \$17,500 depending on purchased package size mix

‡ Estimate ranges from \$233,000 to \$364,000

Appendix D (continued): DoD and DoD/VA Pharmaceutical Contracts

Drug	Manufacturer	Strength	NDC	Package Size	Package Cost	Tablet or Capsule Cost	Contract Base Period*	Potential Annual Cost Avoidance		
Insulin, Human (rDNA)	Novo Nordisk	Novolin N	00169-1834-11	10 ML	\$4.49	NA	11/99-11/00	\$820,000		
		Novolin R	00169-1833-11	10 ML	\$4.49					
		Novolin L	00169-1835-11	10 ML	\$4.49					
		Novolin 70/30	00169-1837-11	10 ML	\$4.49					
Nortriptyline capsules	Teva	10 mg	00093-0810-01 00093-0810-05	100 500	\$1.83 \$8.69	\$0.0183 \$0.0174	10/99-10/00	\$179,000		
		25 mg	00093-0811-01 00093-0811-05	100 500	\$2.46 \$11.07	\$0.0246 \$0.0221				
		50 mg	00093-0812-01 00093-0812-05	100 500	\$3.31 \$15.72	\$0.0331 \$0.0314				
		75 mg	00093-0813-01	100	\$4.21	\$0.0421				
Omeprazole capsules	Astra	10 mg	00186-0606-28 00186-0606-31 00186-0606-68 61113-0606-82	100 UD 30 100 1000	\$140.00 \$42.00 \$75.93 \$1,400.00	\$1.4000 \$1.4000 \$0.7593 \$1.4000	10/99-10/00	\$11.6 million		
		20 mg	61113-0742-28 00186-0742-31 00186-0742-82	100 UD 30 1000	\$140.00 \$42.00 \$1,400.00	\$1.4000 \$1.4000 \$1.4000				
		40 mg	61113-0743-28 61113-0743-31 61113-0743-68 61113-0743-82	100 UD 30 100 1000	\$140.00 \$42.00 \$140.00 \$1,400.00	\$1.4000 \$1.4000 \$1.4000 \$1.4000				
		1 mg	00172-4067-60 00172-4067-80	100 1000	\$1.90 \$19.00	\$0.0190 \$0.0190			11/99-11/00	\$53,000
		2 mg	00172-4068-60 00172-4068-80	100 1000	\$2.50 \$25.00	\$0.0250 \$0.0250				
		5 mg	00172-4069-60 00172-4069-70	100 500	\$4.02 \$21.20	\$0.0402				
Ranitidine tablets	Geneva	150 mg	00781-1883-60 00781-1883-05 00781-1883-10	60 500 1000	\$1.93 \$13.57 \$26.72	\$0.0320 \$0.0270 \$0.0270	12/98-12/99	\$4,493,000§		
		300 mg	00781-1884-31 00781-1884-25	30 250	\$2.28 \$16.48	\$0.0760 \$0.0660				
Simvastatin tablets	Merck	5 mg	00006-0726-61 00006-0726-54 00006-0726-28	60 90 100 UD	\$27.00 \$40.50 \$45.00	\$0.4500 \$0.4500 \$0.4500	8/99-8/00	\$22.2 million in combination with Cerivastatin		
		10 mg	00006-0735-61 00006-0735-54 00006-0735-28 00006-0735-82 00006-0735-87	60 90 100 UD 1000 10,000	\$39.60 \$59.40 \$66.00 \$660.00 \$6,600.00	\$0.6600 \$0.6600 \$0.6600 \$0.6600 \$0.6600				
		20 mg	00006-0740-61 00006-0740-28 00006-0740-82 00006-0740-87	60 100 UD 1000 10,000	\$64.20 \$107.00 \$1,070.00 \$10,700.00	\$1.0700 \$1.0700 \$1.0700 \$1.0700				
		40 mg	00006-0749-61	60	\$64.20	\$1.0700				
		80 mg	00006-0543-61	60	\$64.20	\$1.0700				
		120 mg	00172-4285-60	100	\$12.99	\$0.1299			12/99-11/00	To be determined
		180 mg	00172-4286-60	100	\$5.97	\$0.0597				
		240 mg	00172-4280-60 00172-4280-70	100 500	\$5.97 \$29.00	\$0.0597 \$0.0580				

* Most contracts have options for renewal periods

§ Estimated cost avoidance for ranitidine ranges from \$765,000 (based on lowest available DAPA price at time of award) to \$7,321,000 (based on actual purchases for FY98). The \$4,493,000 estimate is based on the DAPA price of the Geneva brand that existed prior to the award of the contract.

° Contract was previously awarded to G.D.Searle, with a base contract performance period of 8/20/99-8/19/00. After the contract was awarded, G.D. Searle stated that they had made a mistake on the price of the 240 mg 500s (\$9.50/bottle of 500). The contract will be terminated on 12/1/99. A settlement has been reached concerning the price of the 240mg bottle of 500 during the period of time the contract was in effect.