THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 14 2007

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr Chairman

This letter responds to House Report 109-464 which accompanied the Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations bill for Fiscal Year 2007 (H R 5385) requesting a report on the Department's plan to investigate the option of making the TRICARE Mail Order Pharmacy (TMOP) mandatory, to the maximum extent possible, for beneficiaries using long-term maintenance pharmaceuticals

Title 10, Section 1074g(a)(2)(E), United States Code, the Pharmacy Benefits Program, states that pharmaceutical agents included on the Uniform Formulary shall be available to eligible covered beneficiaries through

(i) facilities of the uniformed services, consistent with the scope of health care services offered in such facilities and additional determinations by the Pharmacy and Therapeutics Committee of the relative clinical and cost effectiveness of the agents,
(ii) retail pharmacies designated or eligible under the TRICARE program or the Civilian Health and Medical Program of the Uniformed Services to provide pharmaceutical agents to covered beneficiaries, or
(iii) the National Mail Order Pharmacy Program

It further states in Section 1074g(a)(5) that the Department shall ensure the availability of pharmaceutical agents not included on the uniform formulary in at least one of the above dispensing venues

When Section 199 21 of Title 32, Code of Federal Regulations was written to implement the Pharmacy Benefit Program, DoD chose to include all points of service (facilities of the Uniformed Services, TRICARE retail pharmacies, and the mail order program) for availability of Uniform Formulary pharmaceuticals and retail and mail order pharmacies for agents not included on the uniform formulary

The Department is reviewing the option of limiting the 3rd tier (non-formulary) drugs to the mail order program Limiting uniform formulary long-term maintenance drugs to one venue would require a legislative change to 10 U S C 1074g Until such time as Congress mandates a change, or a final rule limits the availability of non-formulary drugs to one venue, all pharmacy points of service will remain as options from which DoD beneficiaries may choose their pharmaceutical needs for uniform formulary pharmaceutical agents, and retail and mail order pharmacies for agents not included on the uniform formulary

Thank you for your continued support of the Military Health System

Sincerely,

William Winkenwerder, Jr , MD

cc
The Honorable John McCain
Ranking Member