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On NHPCO’s Clinical and Operations Management ListServ, a hospice clinical leader posted a plaintive plea to enlist other hospice clients of Enclara Pharmacia to join a “grass-roots” lobbying effort to secure two changes to what she regards as Enclara’s inflexible hospice formulary.

Delta Care Rx President Drew Mihalyo’s heartfelt reply to this post vividly demonstrates in dollars and cents that there is a better way for hospices to manage their pharmacy spend. As Drew writes, “In my opinion, the most beneficial, long-term grass roots effort should be to push for full business transparency about the real cost of hospice medications and for “acquisition cost plus” style Rx purchasing options.”

From the ListServ

Original Message:

Sent: 01-23-2020

From: Kristine Miller

Subject: Non-Formulary grass roots movement

Good afternoon,

We have identified that Zofran ODT and Lexapro are non-formulary meds often used with our clients. Zofran ODT has been helpful with our clients that have n/v. Lexapro has been identified with our facility clients that have their own contracted pharmacy. Enclara is willing to review these two drugs to add to the formulary. However, if we are the only ones requesting this it may not be enough volume to make a difference. We learned yesterday from our vendor that the more agencies that request formulary additions, the better chance we have to get it added. If you are seeing these two drugs used in your agency and also use Enclara pharmacy services, please advocate to Enclara to consider these for addition. Your support is greatly appreciated!

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Director Homecare
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“To state the obvious:
Buying prescriptions by route of non-flexible/penalty-full per diem formulary arrangements, or heavily inflated AWP discount-style pharmacy contracts, is not sustainable financially or therapeutically in my opinion”

— Drew Mihalyo, PharmD.
President of Delta Care Rx

Hi Kristine,

As a pharmacist and fellow hospice advocate, I'd like to provide some information/feedback that may help you along the way.

My colleagues throughout the country use these wonderful medications without hesitation on a regular basis. These two medications absolutely should be on every PDL and/or formulary. They are accessible, cost effective and appropriate for any patients who fit the clinical profile.

I just checked pricing and you should know that if we were to buy these meds from a wholesaler and dispense them to a hospice patient today, the drug acquisition cost that my company would bill to the hospice (per tablet) would be the following:

- Lexapro 10mg (Escitalopram): \$0.04 (4 cents per tab)
- Zofran 4mg ODT (Ondansetron ODT): \$0.21 (21 cents per ODT tab)

Assuming Lexapro is used 1 x day and Zofran at least 2 x day, "on average" means that 15 days of therapy should have drug acquisition costs as follows (30-day supply is listed for you as well):

- Lexapro 15-day supply (Qty 15) = \$0.60
- Lexapro 30-day supply (Qty 30) = \$1.20
- Zofran ODT 15-day supply (Qty 30) = \$6.30
- Zofran ODT 30-day supply (Qty 60) = \$12.60

Of course there is a dispensing fee and, if it's mailed, it might cost a few dollars via FedEx—but those costs are relatively immaterial. Obtaining those meds from a local network pharmacy (rather than mail) will cost a bit more because your local pharmacy will need to be paid enough to make a reasonable profit.

Nowadays, hospices pay for 85% or more of the meds a patient continues taking through end of life. That number is only going to rise in the future. To state the obvious: Buying prescriptions by route of non-flexible/penalty-full per diem formulary arrangements, or heavily inflated AWP discount-style pharmacy contracts, is not sustainable financially or therapeutically in my opinion.

In my opinion, the most beneficial, long-term grass roots effort should be to push for full business transparency about the real cost of hospice medications and for "acquisition cost plus" style Rx purchasing options.

My two cents,

Drew Mihalyo