THE ASSISTANT SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2005

MEMORANDUM FOR SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: HA Policy 04-032: TRICARE Pharmacy Benefit Program Formulary Management, December 22, 2004

References: (a) Assistant Secretary of Defense (Health Affairs) Policy Memorandum, Policy for Dispensing Prescriptions in Outpatient Military Pharmacies, December 8, 1999 (canceled);
(b)10 U.S.C. § 1074g, Pharmacy Benefits Program
(c) 32 C.F.R. Section 199.21

Questions have arisen concerning the requirement for military treatment facilities (MTFs) to provide medications prescribed by MTF providers. This requirement has commonly been referred to as the "You write it, you fill it" policy, and was explicitly included in reference (a) above. The requirement is based upon the statutory mandate, set out in 10 U.S.C. § 1074g(d)(1), reference (b) above, that the Secretary of Defense "assure through management and new contractual arrangements that financial resources are aligned such that the cost of prescriptions is borne by the organization that is financially responsible for the health care of the eligible covered beneficiary." As the requirement is explicitly set out in law, it was felt there was no need to repeat it in the subject document, HA Policy 04-032. This memorandum clarifies the requirement has not been rescinded.

The intent of this requirement is that MTFs will not shift prescriptions written by MTF providers to the purchased care sector. Patients who are being followed by an MTF provider will not be referred to commercial (mail or retail) pharmacies for prescriptions written by MTF providers. If medical necessity is validated as defined in reference (c) above (Uniform Formulary Rule) (i.e. use of the formulary agents are contraindicated; patient experiences significant adverse effects from formulary agents; therapeutic failure from formulary agents; previously responded to a non-formulary agent and changing to a formulary agent would incur unacceptable clinical risk; or there is no alternative agent on the formulary), the medication will be procured under a special purchase process by the

MTF. It is expected that beneficiaries will continue to have a choice in where they obtain their medications; however, there will be no formalized effort to shift prescriptions from the MTF to the purchased care sector.

My point of contact regarding this matter is Colonel James Young, Office of Pharmacy Operations, who can be reached at (703) 681-0064 or James.Young@tma.osd.mil.

For William Winkenwerder, Jr., MD