

HOW DO FORMULARY RESTRICTIONS AFFECT PATIENT BRAND LOYALTY IN MEDICARE PART D PLANS? ?

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INTRODUCTION

- In 2015, 39 million Medicare beneficiaries obtained their outpatient prescription drug coverage through Part D plans[1].
- In recent years formulary restrictions, including formulary exclusion, prior authorization and step therapy, are increasingly employed by Medicare formularies[2].
- Formulary restrictions on branded drugs was found to decrease the utilization of prescriptions and shift the utilization more toward generic drugs[3].
- A favorable formulary status has the potential to create brand loyalty. However, the relationship between formulary restrictions and brand loyalty has not been examined systematically.
- Among all the Medicare beneficiaries studied, 28% had diabetes with high involvement in Part D plans. The formulary status of branded antidiabetic medications vary among plans[4].

OBJECTIVES

- To conduct a comprehensive analysis of the impact of plan formulary restrictions on brand loyalty of patients with type 2 diabetes mellitus on oral hypoglycemic agents (OHA).
- To explore how the longitudinal change of formulary status affect brand loyalty for patients with type 2 diabetes on OHA.

METHODS

Research Design: Retrospective, longitudinal study

Data Source: Chronic Condition Data Warehouse 2012 and 2013

Study Population: Medicare beneficiaries aged 18 and older who are enrolled in Part D plans.

Formulary Status: no restriction, formulary exclusion, prior authorization and step therapy

Included branded drugs: Fortamet, Glumetza, Riomet, Janumet XR, Jentaduetto; Vipidia, Suiny, Trajenta, Onglyza, Januvia, Tenelia; Bydureon, Victoza; Glucotrol, Diabeta.

Loyalty: dedication to purchase the same branded prescription repeatedly. It will be measured by:

- patients average rate of buying the branded drugs
- the percentage of repeat buying
- the number of 100% loyal patients
- the share of the drug purchased within the same drug class

Covariates: age, gender, race, education, income, perceived health status, copayments

Statistical Analysis: Propensity score matching will be used to control the covariates. Multiple regression will be used to measure the association between formulary restrictions and loyalty measures. General estimating equations will be used to measure the association between formulary status change and loyalty measures.

EXPECTED RESULTS

- Patients are expected to be less loyal to medications with formulary restrictions than medications with no restrictions.
- The brand loyalty of medications with higher prices are expected to be influenced more by formulary restrictions. Preferred status may decrease price elasticity thus support brand loyalty of high priced medications.
- Medications with previous favorable formulary status may have higher prescribing volumes and share within the same class than the medications with the same current formulary status due to previously created loyalty.
- Patients with poor loyalty won't be influenced much by formulary status. Even it moves to a preferred condition.

CONCLUSIONS

- The association between different kinds of formulary restrictions and loyalty needs to be in a quantitative manner.
- A further analysis will be needed on what factors are important for brand loyalty if a drug is already restricted in the formulary.

LIMITATIONS

- The preference of prescribers may be influential to the brand loyalty of the patients.

REFERENCES

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