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## Opposing a 'Formulary' List

By GARDINER HARRIS

**W**hen doctors decide which drugs to prescribe, the most important criterion is often not how well they work, their side effects or their prices.

Instead, doctors are most likely to prescribe a pill if they think that a managed care program will pay for it, according to surveys by several drug companies. The drug has to be on what is called "the formulary," a list that managed care groups approve.

This is why a decision yesterday by the Supreme Court that lets a program in Maine aimed at lowering drug prices move a step closer to reality is seen as a setback for the drug industry. The program would use the buying power of the state under Medicaid to negotiate bulk discounts from drug companies, which fear that the program could lead to a government-sponsored formulary and lower profits.

"Under Maine's program, government officials, rather than doctors and patients, would effectively decide which medicines will be available for Medicaid and non-Medicaid patients," said the Pharmaceutical Research and Manufacturers of America, a trade group called PhRMA.

Formularies cover many people with private insurance, because managed care companies have found that they can find steep discounts on drugs if they limit their approved drug lists.

The drug industry is fighting to keep state and federal government health programs from adopting such restrictions. Few doctors can remember each formulary for every major health plan, and most doctors have patients from several plans. Because the formulary is obscure in most cases, doctors write prescriptions for drugs that they perceive work better or for which they have free samples. Sales representatives, the biggest expense at major drug companies, can influence those factors.

A government-sponsored formulary would cover a huge number of patients for many physicians, and it could train physicians to write government-approved prescriptions by default for all patients. That would mean a government formulary would be hugely influential, leading drug companies to fight desperately — and discount their products steeply — to be on it.

The Maine program could be a model for other states.