



Position Statement
on
Controlling the Cost of Medication
(Approved by the Board of Directors: May 3, 2003;
Revised by the Board of Directors: November 3, 2012)

It is the responsibility of every physician to be aware of the relative cost of prescriptions and/or over-the-counter products that are recommended to our patients. The AADA believes this awareness should help guide the treatment decision-making process but should never limit options in such a way that patient outcomes could be negatively impacted. Exclusivity contracting, step therapy, and tiering are a few of the strategies insurance companies and pharmacy benefit managers (PBMs) use to control the growing cost of medications and other treatment options.

Exclusivity Contracts

The AADA is strongly opposed to insurance companies and PBMs engaging in exclusivity contracts with pharmaceutical companies. It is important to provide options to the physician and patient that allow consideration of a patient's unique symptoms and characteristics. It is vital that physicians and patients are appropriately empowered to make decisions together that result in the best possible patient outcomes. The patient-physician relationship and necessary power to decide the most appropriate course of treatment must be protected. Therefore, it is important that insurance companies and PBMs contract with at least two pharmaceutical companies for first line options.

Step Therapy

The AADA understands the need to contain healthcare costs but is concerned that step therapy strategies to medication and other treatment selection have the potential to impact patient outcomes and quality of life. Any step therapy policy must be supported by high quality studies, research, and medical practice. It must also make exceptions for patient characteristics and current treatment. Patients must be able to stay on their current treatment option and must be able to have access to alternatives if the first line option will not work with their unique symptoms, history, and attributes.

Drug Tiering

The AADA understands the need to incentivize cost-conscious medication selection by patients and their physicians but it is important that the strategy used to tier drugs take into account the efficacy, the equivalence of alternatives, and the cost implications to patients. While we support and encourage the use of generic drugs, patients must also have access to affordable brand-name medications when these generic drugs are unavailable, fail, and/or not equivalent. The AADA recognizes the need to make formulary changes but believes it is important for patients to have the ability to remain on their current and efficacious treatment without significant additional patient cost and burden when these formulary changes are made to an insurer's drug coverage policy.

Regardless of the cost-containing strategy selected, patients need to have access to necessary and affordable treatment options. The AADA encourages insurance companies and PBMs to base these strategies on high quality data and consult specialty societies for their experience and expertise in available treatment options when formulating these policies.

This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements