ASHP Statement on the Formulary System

Preamble

The care of patients in hospitals and other health-care facilities is often dependent on the effective use of drugs. The multiplicity of drugs available makes it mandatory that a sound program of drug usage be developed within the institution to ensure that patients receive the best possible care.

In the interest of better patient care, the institution should have a program of objective evaluation, selection, and use of medicinal agents in the facility. This program is the basis of appropriate, economical drug therapy. The formulary concept is a method for providing such a program and has been utilized as such for many years.

To be effective, the formulary system must have the approval of the organized medical staff, the concurrence of individual staff members, and the functioning of a properly organized pharmacy and therapeutics (P&T) committee of the medical staff. The basic policies and procedures governing the formulary system should be incorporated in the medical staff bylaws or in the medical staff rules and regulations.

The P&T committee represents the official organizational line of communication and liaison between the medical and pharmacy staffs. The committee is responsible to the medical staff as a whole, and its recommendations are subject to approval by the organized medical staff as well as to the normal administrative approval process.

This committee assists in the formulation of broad professional policies relating to drugs in institutions, including their evaluation or appraisal, selection, procurement, storage, distribution, and safe use.

Definition of Formulary and Formulary System

The formulary is a continually revised compilation of pharmaceuticals (plus important ancillary information) that reflects the current clinical judgment of the medical staff.

The formulary system is a method whereby the medical staff of an institution, working through the P&T committee, evaluates, appraises, and selects from among the numerous available drug entities and drug products those that are considered most useful in patient care. Only those so selected are routinely available from the pharmacy. The formulary system is thus an important tool for assuring the quality of drug use and controlling its cost. The formulary system provides for the procuring, prescribing, dispensing, and administering of drugs under either their proprietary or proprietary names in instances where drugs have both names.

Guiding Principles

The following principles will serve as a guide to physicians, pharmacists, nurses, and administrators in hospitals and other facilities utilizing the formulary system:

1. The medical staff shall appoint a multidisciplinary P&T committee and outline its purposes, organization, function, and scope.

2. The formulary system shall be sponsored by the medical staff based on the recommendations of the P&T committee. The medical staff should adapt the principles of the system to the needs of the particular institution.

3. The medical staff shall adopt written policies and procedures governing the formulary system as developed by the P&T committee. Action of the medical staff is subject to the normal administrative approval process. These policies and procedures shall afford guidance in the evaluation or appraisal, selection, procurement, storage, distribution, safe use, and other matters relating to drugs and shall be published in the institution’s formulary or other media available to all members of the medical staff.

4. Drugs should be included in the formulary by their nonproprietary names, even though proprietary names may be in common use in the institution. Prescribers should be strongly encouraged to prescribe drugs by their nonproprietary names.

5. Limiting the number of drug entities and drug products routinely available from the pharmacy can produce substantial patient-care and (particularly) financial benefits. These benefits are greatly increased through the use of generic equivalents (drug products considered to be identical with respect to their active components; e.g., two brands of tetracycline hydrochloride capsules) and therapeutic equivalents (drug products differing in composition or in their basic drug entity that are considered to have very similar pharmacologic and therapeutic activities; e.g., two different antacid products or two different alkylamine antihistamines). The P&T committee must set forth policies and procedures governing the dispensing of generics and therapeutic equivalents. These policies and procedures should include the following points:

- That the pharmacist is responsible for selecting, from available generic equivalents, those drugs to be dispensed pursuant to a physician’s order for a particular drug product.
- That the prescriber has the option, at the time of prescribing, to specify the brand or supplier of drug to be dispensed for that particular medication order/prescription. The prescriber’s decision should be based on pharmacologic or therapeutic considerations (or both) relative to that patient.
- That the P&T committee is responsible for determining those drug products and entities (if any) that shall be considered therapeutic equivalents. The conditions and procedures for dispensing a therapeutic alternative in place of the prescribed drug shall be clearly delineated.

6. The institution shall make certain that its medical and nursing staffs are informed about the existence of the formulary system, the procedures governing its operation, and any changes in those procedures. Copies of the formulary must be readily available and accessible at all times.

7. Provision shall be made for appraisal and use of drugs not included in the formulary by the medical staff.

8. The pharmacist shall be responsible for specifications as to the quality, quantity, and source of supply of all drugs,
chemicals, biologicals, and pharmaceutical preparations used in the diagnosis and treatment of patients. When applicable, such products should meet the standards of the *United States Pharmacopeia*.

**Recommendation**

A formulary system, based on these guiding principles, is important in drug therapy in institutions. In the interest of better and more economical patient care, its adoption by medical staffs is strongly recommended.

The policy of the American Medical Association on drug formularies and therapeutic interchange is consistent with this practice standard of ASHP (see *Am J Hosp Pharm.* 1994; 51:1808–10).


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