



September 18, 2013

To: Senator Leah Vukmir, Chair
Members, Senate Health and Human Services Committee

From: John Sauer, President/CEO
Tom Ramsey, Vice President of Public Policy & Advocacy

Subject: **2013 Senate Bill 251**

LeadingAge Wisconsin Position: SUPPORT

Background: A drug formulary is loosely defined as a list of prescription medications or pharmaceutical products developed and approved by a healthcare organization or by a health plan to encourage greater efficiency in the dispensing of prescription drugs without sacrificing quality. The list will contain both generic and brand name drugs and is developed by a committee of doctors, pharmacists, and other health care professionals on the basis of a given drug's efficacy, safety, and cost effectiveness.

Hospitals are permitted to maintain their own drug formularies; LeadingAge Wisconsin, in concert with the Pharmacy Society of Wisconsin and Wisconsin Health Care Association, has worked with Senator Gudex to develop SB 251, which would permit the Quality Assessment and Assurance Committee that all nursing homes are required to maintain to also be granted the authority to develop its own drug formulary.

ARGUMENTS IN SUPPORT OF A NURSING HOME DRUG FORMULARY

- Drug formularies, where utilized, generate savings, which primarily would accrue to individuals paying privately for their medications.
- Nursing home formularies would permit a more timely administration of needed medications because of less red tape.

- Nursing home formularies reduce the number of drugs administered in a facility, which has the potential to enhance resident safety.
- If, as expected, the use of drug formularies developed by skilled nursing facilities follows the path of hospitals, Medicaid, Medicare Part D plans and other commercial health plans which utilize their own drug formularies, the end result should be improved quality of care and better managed drug expenditures.

LeadingAge Wisconsin, formerly WAHSA, is a statewide membership association of not-for-profit organizations principally serving seniors and persons with a disability. Membership is comprised of 195 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 172 nursing homes, 7 facilities for the intellectually and developmentally disabled (FDD), 182 assisted living facilities, 102 apartment complexes for seniors, and over 300 community service agencies which provide programs ranging from Alzheimer's support, adult and child day care, home health, home care, and hospice to Meals on Wheels. LeadingAge Wisconsin members employ over 38,000 individuals who provide compassionate care and service to over 48,000 residents/tenants/clients each day. For more information, please contact John Sauer (jsauer@LeadingAgeWI.org), LeadingAge Wisconsin President/CEO, Tom Ramsey (tramsey@LeadingAgeWI.org), LeadingAge Wisconsin Vice President of Public Policy & Advocacy or Brian Schoeneck (bschoeneck@LeadingAgeWI.org), LeadingAge Wisconsin Vice President of Financial and Regulatory Services, at (608)-255-7060.