



July 28, 2011

Dear Participating Physicians:

As you know, Gold Coast Health Plan (GCHP) officially opened its doors on July 1, 2011 for its 100,000 Medi-Cal beneficiaries in Ventura County. It was a momentous event for our providers and patients alike. With our managed care system tailored to meet local needs, we hope to benefit both providers and patients with ready access to services, user-friendly referral policies and less cumbersome prior authorization procedures. Our goals are to be more responsive by resolving issues quickly and being there when you need us. By achieving these objectives we hope to gain your trust, allowing you to concentrate on providing optimum care for our members.

As a start up with a huge member base, we are experiencing challenges regarding prior authorizations. We want to assure you we are doing our best to correct the situation and apologize for any inconvenience we may have caused. Once the bugs are worked out, we hope to maintain a high level of efficiency and a smooth operation staffed by the eight experienced utilization management nurses, who are committed to work with these systems. I truly believe that quality medical care is the most cost effective and that is what we should all strive for in this managed care setting.

One area that commenced rather smoothly is our drug program. I would like to take this opportunity to elaborate on the use of our Drug Formulary and ask for your cooperation. A lot of time and effort was devoted in producing this Formulary for the purpose of making it user friendly. We strove to provide an adequate choice of quality drugs that our physicians would want included in the formulary. Drug costs are huge for any health care plan in the current insurance market, and a formulary has to be designed to be cost effective; however, it cannot be too restrictive if good medical standard of care is to be preserved. Because generics are almost always less costly, the judicious use of generics, as long as they are considered to be therapeutically equivalent, is mandatory. Such practices not only save money but also allow the formulary to include a larger number of generic choices. With this in mind we designed the formulary as follows:

- 1) Drugs are grouped into a “**Therapeutic Category.**” This is for the convenience of the prescriber to go to the category of drugs when the practitioner has made a diagnosis and has decided on a medication in that category. Once he (used for both genders for simplicity) gets to that location not only the drug he had in mind may be listed but also a number of other alternatives from which he can choose. Also, the dosage forms of each drug are listed there, which in many cases obviate the need to look up information in the PDR. Each drug will also have dollar signs indicating the relative cost of the drug that the doctor can take into consideration in making a choice. Lastly, the right-hand column will list any restriction symbol for the drug, if any, such as QL, Step Therapy, LMN and CPA. The meaning of each of these entries may be found in the formulary.

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- 1) Another innovative feature that is incorporated into this Formulary is the **tinting** of all drugs with different colors. For example: light blue to indicate generics; white for name brands; pink for specialty drugs that are expensive; and green for OTC drugs making it easier for the user to identify them.
- 2) The Therapeutic Category list is only 17 pages long. In most instances this is all the doctor may need in coming up with a cost effective drug among so many choices. Our P & T (Pharmacy & Therapeutic) Committee, comprised of your local colleagues, has worked very hard to develop this formulary that will give you plenty of quality drug choices. They are rather rich, but we hope them to be cost effective because of your enthusiastic cooperation.
- 3) The next two lists of drugs, which are each 18 pages long, are included in the Formulary for your convenience. They will simply provide you with cross references. These two separate lists include exactly the same drugs that are found in the Therapeutic Category, except that they are listed alphabetically—one list is from brand names to generics; and the other list is vice versa.

When we began operations on July 1, 2011, we were obligated to continue allowing existing prescriptions to be refilled for 60 days. However, after September 1, 2011 you are all required to adhere to our new GCHP Formulary. In the interim, however, you as the prescribing physician do not have to continue refilling the same medication, which might possibly not be on the Formulary. Should you feel that it is medically necessary you should continue to refill the same prescription even if it is not on the Formulary.

However, this is **my appeal** to you. As mentioned above, the Formulary was designed to give you adequate drug alternatives but also to be cost effective. At this time, if you notice that any drug your patient is using is non-formulary and you do feel that an alternative drug on the formulary can serve just as well for the patient for refill, then I would like for you to consider switching. Please be mindful that you will have to switch after September 1, 2011 anyway.

I realize that the success of our GCHP drug program depends a lot on your cooperation. I would like to see that you believe in our GCHP mission of helping the cause of Medi-Cal patients. I ask you to please help us to help these patients. I shall always be available for your comments and questions.

Very truly yours,

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