

# HOUSE COMMITTEE ON VETERANS' AFFAIRS

CHAIRMAN MIKE BOST

## VA Healthcare Reform – National Formulary Improvements

### Background:

The Department of Veterans Affairs (VA) national drug formulary governs which medications are available to millions of enrolled veterans, yet its decision-making process lacks transparency, consistency, and timely responsiveness. While the Department of Defense and private-sector systems have modernized formulary governance based on current clinical outcomes, pharmaco-economic data, and patient-centered design, VA's outdated structure has contributed to delays, regional disparities, and inefficiencies in access for veterans nationwide.

This bill would update VA's formulary governance by codifying national standards for clinical review, stakeholder input, non-formulary processes, and value-based purchasing. It would establish clear structures and timelines, introduce public transparency for inclusion and exclusion decisions, and incorporate beneficiary advisory input into formulary oversight—while preserving safeguards for clinical integrity and fiscal responsibility to ensure veterans get the best care.

### The Message:

This bill would modernize and strengthen VA's drug formulary to ensure timely, evidence-based access to lifesaving medications for veterans — all while protecting taxpayers' investment in VA healthcare through smart procurement strategies.

The restructuring would:

- Establish a National Pharmacy and Therapeutics Committee composed of physicians, pharmacists, and pharmaco-economists to conduct timely FDA drug reviews (within 120 days) and ensure formulary decisions are based on real-world clinical evidence and cost-effectiveness.
- Standardize the non-formulary request process nationwide, requiring electronic integration into prescribing workflows, consistent approval criteria, and a 96-hour response window for initial decisions, with final appeal resolution in no more than 7 days.
- Strengthen clinical and operational oversight of formulary management by mandating therapeutic class reviews and nationwide portability of non-formulary approvals.
- Prohibit facilities from operating local formularies outside the national system, unless authorized under narrowly defined exceptions and subject to centralized review.
- Enhance pharmaceutical procurement authority, enabling value-based purchasing arrangements, tiered formulary placement negotiations, and outcome-based drug agreements to maximize returns for veteran patients and the Department.