OBIECTIVES: The use of formulary system can ensure high quality and control cost if the formulary decision is based on appropriate clinical and economic considerations. We explored use of pharmacoeconomic data in hospitals for formulary decisions. METHODS: Study design was cross-sectional telephone survey using a structured survey instrument. Participants were pharmacists who are P&T committee members of Florida hospitals. RESULTS: Data were collected from 73 hospitals. Most hospitals make formulary decisions at the local level (82%). Thirty-three percent indicate that pharmacoeconomic data is used “all the time” when formulary decisions are made with only six percent stating that it is rarely or never used. Pharmacoeconomic data is rated by 62% of participants to be “very important” in formulary decisions. The usual sources of pharmacoeconomic data listed by participants are in-house data (73%), published literature (55%), and pharmaceutical industry studies (15%). When asked to rank order 10 criteria in making formulary decisions, the mean ratings of participants suggested the following order of importance: Efficacy, Toxicity, Side Effects, Acquisition Cost, Costs weighed by Benefits, Extent of Drug Monitoring, Availability of Oral Therapy, In-house data, Average Hospital LOS, Avoiding use of Home Infusion. Most participants reported that someone with pharmacoeconomic skills is employed by the hospital (one has a Masters degree, one has residency training, 31 with practical experience and 15 have informal training). Based on a pharmacoeconomic case study comparing a new drug B to a current drug A, most of the participants would add drug B to the formulary if it is a new class of drug with no pre-existing resistance, has the advantage of reduced IV use, or has a consistent reduction in hospital LOS. CONCLUSIONS: Results of this study confirms that most hospitals consider pharmacoeconomic data invaluable in formulary decisions.