



**DRUGS THAT LOST
 PATENT PROTECTION**

August 2008		
BRAND NAME	GENERIC NAME	INDICATION
UVADEX	methoxsalen	skin pigmenting
VEXOL	rimexolone	corticosteroid
ADVAIR DISKUS	fluticasone propionate; salmeterol xinafoate	corticosteroid
SEREVENT	salmeterol xinafoate	bronchodilator

COMMENT: Please check your formulary and benefits to ensure that patients have the choice to pay generic copay for the drugs above.

**POTENTIAL Rx-to-OTC
 SWITCHES FOR 2008-2013**

Trade Name	Classification	Marketer	Potential Switch Year
Prevacid	Proton-pump inhibitor	Tap (via Novartis)	2009
Pravachol*	Statin	Bristol-Myers Squibb	2009
Zocor*	Statin	Merck	2009
Diflucan	Antifungal	Pfizer	2009
Imitrex	Migraine treatment	GlaxoSmithKline	after 2009
Protonix	Proton-pump inhibitor	Wyeth	2010
Nicotrol	Smoking-cessation aid	Pfizer	after 2010
Propecia	Hair-loss treatment	Merck	2011
Lescol*	Statin	Novartis	2011
Allegra**	Allergy treatment	Sanofi-Aventis	2012
Provigil	Sleep agent	Cephalon	after 2012

MEDICAID CUTS – NEW AWP DISCOUNTS

New York and California reduced reimbursement for Medicaid prescriptions effective July 1, 2008.

New York: Payments went from AWP-14% to AWP-16.25% for Medicaid, the Elderly Pharmaceutical Insurance Coverage (EPIC), and the AIDS Drug Assistance Program (ADAP). The dispensing fee is \$3.50 for brand name drugs and \$4.50 for generics.

California: Medi-Cal program for the poor took a 10% cut. The dispensing fee is \$7.25.

COMMENT: Pharmacies are either warning that they will turn away patients or take large losses. They quote a national study done for community pharmacy that found the average cost of dispensing is \$10.50. Since AWP-16% is common for third-party networks, compare what the above fees to your contract fees. The states above are beginning to establish maximum discounts and dispensing fees that the pharmacy networks will accept.

**CHECK YOUR PHARMACY INVOICE
 LIKE YOU CHECK YOUR SUPPLY INVOICES**

Invoices for payments to PBMs and Health Plans for prescriptions filled by their network pharmacies (both retail and mail), should be checked the same as you would a grocery receipt.

AcipHex	Proton-pump inhibitor	Johnson & Johnson	2013
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- *The Food & Drug Administration has not yet approved statin for sale OTC (Merck's Mevacor was declined OTC switch approval three times, the latest in 2008. BMS Pravachol was declined switch in 2000).
- **Already recommended for switch by an FDA advisoryPanel

COMMENT: This may be useful for your budgeting purposes. Feel free to pass along to underwriting and actuary.

Source: Kalorama Information, April 2008

The assumption that electronic claim adjudication is without errors is dangerous for both medical and pharmacy claims. Pro Pharma experience indicates that at least 5-7% of drug spend is incorrectly paid. Prime areas for errors are eligibility, pricing, claim validity, payments for benefit exclusions, etc.

Pro Pharma screens pharmacy invoices within 72 hours to validate invoices prior to payment.

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Pro Pharma Pharmaceutical Consultants, Inc. has assisted Payers and Providers for over 22 years to Maintain Quality while Controlling Costs.

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