



DRUGS THAT LOST PATENT PROTECTION

BRAND NAME	GENERIC NAME	INDICATION
RAZADYNE	galantamine hydrobromide	Alzheimer's disease
RAZADYNE ER	galantamine hydrobromide	
BREVIBLOC	esmolol hydrochloride	Beta-blocker
MYLOTARG	gemtuzumab ozogamicin	Chemo agent
PRAVIGARD PAC (COPACKAGED)	aspirin; pravastatin sodium	Cholesterol production blocker

COMMENTS: Check your formularies to ensure that patients are paying generic copays for these drugs.

GENERIC DRUG SALES ARE SLOWING

The sales growth rate of generics slowed to 3.6% from 11.4% year-over-year in September 2008, IMS Health reported. The \$78B global sales market had been reporting double digit growth in recent years.

IMS also reported that this first sales growth decline was because of increased global manufacturer price competition. Government and private payers are causing aggressive competition forcing prices down, especially in the U.S. and the U.K.

The world's largest generic market, the US, with 42% of global sales, incurred a 2.7% drop in sales and a 5.4% increase in volume year-over-year for the same period. Of the total U.S. drug market, generics now account for 63.7% and \$33B, compared with \$34B last year. This was due to the increased competition causing declining prices and the lack of blockbuster drugs losing patents in 2008.

Almost half (47%) of the worldwide generic market is held by the top 10 companies and the top three (Teva-11%; Sandoz-9%; and Mylan-8%) hold over a quarter (28%) of the total market.

COMMENT: Expect even greater competition on drug prices among generic manufacturers and more pressure by states, the federal government, as well as payers, due to total U.S. healthcare costs rising and a general economic downturn.

LOWER COPAYS ≠ IMPROVED COMPLIANCE

A new study by ESI in the American Journal of Managed Care showed that lowering copays may not be enough to significantly improve compliance of maintenance drugs (only a 2.5% increase).

According to the study, raising the price of the patient's contribution elicits a greater response – the aversion to loss (a well documented principle of behavioral economics) – than when they paid less.

COMMENT: This study throws new light on the compliance issue. Is there a copay that is too low for maintenance drugs? Since this study was conducted by a PBM and since they offer up their mail order service as a possible solution we must take the results with some reservation. Are there other more effective solutions? Do we need more patient education? Can the dispensing pharmacist play a greater roll? Patient compliance is a continual problem and we probably will not be able to "just mail in the solution."

JCODE x NDC BRIDGE

Every entry on the JCode Calculator™ has a field that allows for Medical Claims Payment Teams to click once to access all JCodes that pertain to that drug...

The Pro Pharma quarterly update for the JCode Calculator™ product removes the "hassle factor" from pricing and paying claims. The list now contains ASP, Part B HCPCS codes and updated AWP, WAC and complete search capability on all fields. You can also get NDC's grouped by category to project costs for treating various diseases. Pro Pharma clients report savings of over 40% over claims paid on a billed basis, and have decreased adjuster and/or examiner time and hassle. Pick your format from paper, Excel, text for legacy systems, or web based.

For information call Carol Stern at: (818)701-5438 or via email at carol.stern@propharmaconsultants.com to order your copy with monthly/quarterly updates.

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