



LEGAL FIGHT CONTINUES IN FIRST DATABANK AWP CASE

Community pharmacies were not part of the 2005 class action suit brought by union and consumer groups against First DataBank, Medi-Span, and McKesson. The groups alleged that the two publishers and the wholesalers illegally conspired to inflate the markup between Wholesale Acquisition Cost and AWP from 1.20 to 1.25. This resulted in higher costs to patients and third party payers.

One of the results of the settlement is that reductions in Medicaid payments and a 4% cut in AWP-based reimbursements will occur on September 26, 2009 before pharmacies renegotiate their PBM contracts. As a result, pharmacy groups (like the NCPA) have appealed the decision. If the 1st Circuit grants the stay, there will be no rollback until the court hears an appeal on the merits of the case. If the stay is not granted, the appeal will continue and NCPA and other parties likely, too, will file suits seeking an injunction against First DataBank and Medi-Span to prevent any rollback.

COMMENT: Check with your PBM to determine if the changes in AWP will be reflected in your pass-through pricing with the retail pharmacy networks.

MEDICARE MARKUP FOR DRUGS: 10,000%?

You might think Medicare gets a good deal on chemotherapy drugs, but it often pays as much as 100 times what the drugs cost.

For years, federal investigators have been churning out reports showing that physicians are overcharging Medicare for the chemotherapy drugs used to treat cancer patients. For example, doctors who pay only \$7.75 for a single dose of Vincasar are reimbursed at a rate of \$700 under Medicare. The government covers \$560, and the Medicare patient pays \$140.

Both the Clinton and Bush administrations have tried unsuccessfully to trim the Medicare overpayments, which are estimated to cost American taxpayers \$2-billion a year. As unlikely as it seems, no one in government has been able to determine the actual market price of drugs.

COMMENTS: The cost of drugs continues to be a controversial question in the new debate about health care reform. However, the cost of drugs can be determined when you match the NDC AWP, WAC, ASP or other price to the JCode. There are tools in the marketplace to perform these matches easily. Pro Pharma's JCode Calculator™ is one easy solution.

DRUGS THAT LOST PATENT PROTECTION

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BRAND NAME	GENERIC NAME	INDICATION
ALLI	orlistat	Weight loss
ADVIL COLD & SINUS	ibuprofen; pseudoephedrine hydrochloride	cold, flu, or sinusitis

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

SWITCH LIST

Several people have asked what they can offer specifically to members who are distressed over their

J-CODE CALCULATOR™ SOLVING SPECIALTY INJECTABLE PRICING PROBLEMS

Pro Pharma has just recently released its 2nd Quarter 2009 nationally acclaimed J-Code Calculator™ to our clients! How much time and money are you spending on Injectable Billing? Are your revenue margins decreasing? Do you want to increase revenue during this challenging economic time? If you can say yes to any of the above, contact Pro Pharma today to see how we've standardized billing for Injectables, and show you how to cut costs and increase revenues immediately!

You will see immediate results, but not if you delay!

share of cost. The following is a short list of options.

Drug Prescribed	Generic Name
Benzodiazepines	All Generic benzodiazepines
COX II	Ibuprofen + Omeprazole OTC
Darvocet / Darvon	Acetaminophen
H2 Antagonists	OTC H2 Antagonists
Plavix	Only for unstable angina/non-STEMI w/or w/o PCI OR STEMI w/o PCI
PPIs	Omeprazole or Omeprazole OTC
Sedative / Hypnotics	14 days only OR Benzodiazepines for 14 Days
SSRIs	Fluoxetine or Paroxetine and re-evaluate every 3 months
Statins	Lovastatin + Diet + Weight Loss
Synthroid	Levothyroxine

COMMENT: Let members know that they have options. They can take the above list to their doctor or pharmacist and ask for help and copay relief.

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

[\(click here to our website and go to Products/Services – JCode Calculator for more information and a web demo\)](#)

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