

# Pharmacy Benefit News

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## Commentary: The Most Popular Prescription Drugs In The U.S.

Business Insider recently published the most popular prescription drugs in the U.S. for 2016. Lists like this are commonly published, but always leave me with the question of “So What!” Clearly, it is interesting to compare a pharmacy, Health Plan or other entity to see how it’s utilization compares with the rest of the nation. It is also interesting to see which market favorites are on the list.

However, the list published by Business Insider is based on utilization, i.e., number of prescriptions, not cost or spend. The drugs listed below are all multisource or generics. The message that seems to be paramount is generic prescribing and dispensing is the preferred tool to minimize cost and copay. Effectively a wide range of medications, used to treat common chronic conditions, can cost less than \$100 per month. If about 80% of patients can be treated with these generics, then the cost of medications for most people is a small number. Presuming that the more expensive brands are not substituted for these generics, then general pharmacy costs are driven by utilization.

What is the take away message? Treat common conditions with common generics. Leave the expensive brands for the complications that standard treatments cannot control.

1. Vicodin, Norco, Xodol (hydrocodone/acetaminophen) - used to treat pain - \$14
2. Synthroid, Levoxyl, Unithroid (levothyroxine) - used to treat hypothyroidism - \$12
3. Delasone, Sterapred (prednisone) - used to treat arthritis - \$5
4. Amoxil (amoxicillin) - used to treat infections - \$9
5. Neurontin (gabapentin) - used to treat seizures and nerve pain - \$11
6. Prinivil, Zestril (lisinopril) - used to treat hypertension - \$7
7. Lipitor (atorvastatin) - used to treat high cholesterol - \$12
8. Glucophage (metformin) - used to treat diabetes - \$5
9. Zofran (ondansetron) - used to prevent nausea - \$13
10. Motrin (ibuprofen) - used to treat fever and inflammation - \$14

## Analytics at Work: A Real World Example

### Specialty Medication Analysis

**Problem:** A client wanted to submit rebates for Specialty Medical Claims similar to what they were doing for the Specialty Pharmacy Claims. However, they were unable to identify which of the medical encounter claims for specialty medications were rebatable.

**Methodology:** ProData Analytics included rebate analysis in the Comprehensive Medical Specialty Analyses. A file of the rebatable encounter claims was made available for the client to submit to the manufacturers. The file included the NDC, manufacturer, effective and term dates along with all other applicable sterilized encounter claims data. The file also included a filter for potential 340b providers to remove from the file.

Alternatively, Pro Pharma also recommended that the client could include the rebatable specialty medical encounter claims with the pharmacy claims. Then the PBM could submit all the claims to the manufacturers for rebate reconciliation.

**Outcome:** The client was able to increase their rebate receipts by submitting both pharmacy and medical rebatable claims. The process was automated so that there was a minimal amount of manual data collection and processing.

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### Commentary: What Technology Advancements Receive The Most Interest?

The University of Phoenix has published a list of healthcare technologies that rank as the most interesting to students and/or faculty, which we have listed below. Without getting into the methodology and reference source, which was not provided, it is interesting to gain some perspective on what any group of people find engaging or useful. In this survey appointment reminders and e-prescription dispensing services are compelling to more than 50% of people. All right, so what?

It appears that what is important is what affects me now, not what I can use in the future. Instant communication is the 21st Century replacement to telephones. Effectively, provide an answer; do it now; make it simple. This seems to be consistent with most marketing message today. We haven't learned anything new. We only want it without complications, and want it now!

1. Text message appointment reminders: 28%
2. E-prescription filling services: 26%
3. Online access to health records: 25%
4. Online appointment booking services: 15%
5. Online chat capabilities: 5%

Ref: University of Phoenix

### Commentary: Inflation In Specialty Drug Prices Is 9%

Commentary – Inflation In Specialty Drug Prices Is 9%

It is very common to read about the cost of Specialty medications. It is less common to read about yearly cost inflation. According to AARP, since 2009, annual cost inflation has been consistent at 9%, except in 2011 and 2013 when it was 8%. During the 2009 to 2015-time period, Specialty medication inflation has usually been about 6x that of general inflation. Hence, the actual cost is a problem, but it is compounded by the fact that the cost has grown every year.

The pharmaceutical industry has promised to keep cost inflation to single digits annually. The Specialty cost inflation meets that promise. What is not identified is whether the cost of producing these medications has increased year-over-year to warrant these increases. As the market moves to a value-based system, it is important to warrant cost accounting for the cost for R&D, as well as production, marketing, any middleman fees, and annual rationale for inflation. The market is already producing substitutes internationally, such that all manufacturers will have to compete with the world rather than just US manufacturers.

1. 2015: 9.6% Specialty Rx vs 0.1% General Inflation
2. 2014: 8.9% Specialty Rx vs 1.6% General Inflation



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4. 2012: 9.4% Specialty Rx vs 2.1% General Inflation
5. 2011: 8.3% Specialty Rx vs 3.2% General Inflation
6. 2010: 8.7% Specialty Rx vs 1.6% General Inflation
7. 2009: 8.5% Specialty Rx vs -0.3% General Inflation

Source: AARP: 2017 Trends in Retail Prices of Specialty Prescription Drugs Widely Used by Older Americans



# CSA

**Comprehensive Specialty Analysis™**

Pro Pharma utilizes an integrated data approach to analyze pharmacy and medical encounter claims through problem flagging, feedback benchmarking prices, and peer-to-peer comparison. This program is fully customizable to fit the needs of each client.

## ***Comprehensive Analyses Include, But Are Not Limited To:***

- *Comparison of Pricing*
- *Audits of Specialty Claims*
- *Analysis of Duplicate Payments*
- *Analysis of Channel Discounts*

## ***Comprehensive Analyses Outcomes Include, But Are Not Limited To:***

- *Medications Paid at More Favorable Rates*
- *Identification of Claims Paid for Unapproved Uses*
- *Identification of Clinical Problems for Targeting Improvement*

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