



**FIRST-TIME GENERICS**

GENERIC NAME	GENERIC MFR	INDICATION
ketorolac 0.4% & 0.5% ophthalmic solution	(multiple)	eye pain **** brand name: Acular, Acular LS
valacyclovir 100mg, 200mg tabs	Ranbaxy	herpes **** brand name: Valtrex
pramipexole 0.125mg, 0.25mg, 0.5mg, 1mg, 1.5mg tabs	Teva, Barr	Parkinson's **** brand name: Mirapex
ibutilide fumarate 1mg vial	Paddock	atrial arrhythmia **** brand name: Corvert
tamsulosin hydrochloride 0.4mg cap	Impax	enlarged prostate **** brand name: Flomax

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

**DRUG PRICES UP, INFLATION DOWN**

A recent report from AARP's Public Policy Institute, found that wholesale prices for the brand-name medications most commonly used by Medicare beneficiaries rose an average of 9.3% between October 2008 and September 2009. This was a period when there was no inflation and other consumer prices actually dropped.

The steepest price hikes were 16.1% for Seroquel (to treat psychosis), 17.2% for Aricept (dementia), 18.8% for Ambien (insomnia) and 19.7% for Flomax (prostate).

**COMMENT:** Higher prices mean that people enrolled in Medicare's Part D drug program more quickly reach the coverage gap in which they must pay the full price of their medications.

[Source: AARP Public Policy Institute, <http://bulletin.aarp.org/> Jan-Feb, 2010]

**AWP CHANGES**

On September 26th 2009, the Average Wholesale Price (AWP) for over 95% of brand medications changed. "The New England Carpenters vs. McKesson & First Data Bank" ruling required that effective September 26th 2009, the Average Wholesale Price (AWP) of 1442 specific National Drug Codes (NDC), be reduced from a Wholesale Acquisition Cost (WAC) mark up of 1.25% to 1.20%.

First DataBank & Medi-Span also announced a voluntary roll back of all brand medications that had an AWP markup greater than 1.20%. This voluntary AWP adjustment from First DataBank increased the effected number of NDCs to over 20,000.

Finally, AWP is expected to be replaced by WAC in 2011.

**COMMENT:** AWP is the basis for PBM payments to pharmacies. Consider changing contracts to WAC now to prepare for 2011. Payers and purchasers are not receiving compensation for the inflated AWP's that they have been paying on for years. Pharmacies, PBMs, Health Plans, etc., don't want to be disadvantaged so they requested the previous prices be based on AWP = WACx1.25. If you wish to pay a more cost-based price, then consider contracts based on a cost of WACx1.2.

**Meet the Professor**

**Craig Stern, PharmD, MBA President,  
 Pro Pharma Pharmaceutical Consultants, Inc**

Set your browser to:

<http://www.propharmaconsultants.blogspot.com/>

We discuss changes in AWP, pharmacy practice, market trends, etc.

Ask questions...

Discuss areas of interest regarding medications, pharmacy benefits, clinical pharmacology, etc.

Check often for new postings!

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**Pro Pharma Pharmaceutical Consultants, Inc. has assisted Payers and Providers for over 24 years to Maintain Quality while Controlling Costs.**