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Pharmacy Benefit News

From Pro Pharma

Email
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Express Scripts: Carelessness Leads to Pharmacy-Related Wasteful Spending

According to the Express Scripts 2009 Drug Trend Report, common behaviors, such as forgetfulness and procrastination result in \$163 billion in pharmacy-related wasteful spending each year. Included are:

- \$106B related to non-adherence
- \$51B in missed opportunities to lower medication costs
- \$6B in missed opportunities to lower medication delivery costs

"The good news is that these potential savings in the pharmacy benefit are tied to one of the few variables in health care we can readily influence: behavior," Express Scripts SVP and chief medical officer Steven Miller said. "This research shows that in terms of achieving lower costs and improved outcomes, healthcare reform starts in the home."

Comment: Interesting comments, but where's the beef? What is the solution to these problems? Who will implement the various solutions?

Germany to cut \$2.7B from Pharma Spending

The German coalition government agreed on new rules that will cut as much as 2 billion euros, or \$2.7 billion, from pharma spending.

Germany has been one of the last countries in Europe to allow drugmakers the authority to determine prices. The government will let local producers Bayer AG and Merck KGaA, as well as foreign drugmakers that sell their medicines in Germany, set prices for the first year after a drug's introduction on the market. After that, prices will have to be negotiated by drugmakers and insurers; and insurers will be able to impose mandatory rebates.

"We will ensure that pharmaceutical companies will no longer be able to set the prices for medicine one-sidedly and on their own," Health Minister Philipp Roesler said at a press conference.

Comment: Europe, especially Germany, imposes drug price controls and as a result has lower prices than in the US. PhRMA indicates that higher drug prices are needed for innovation. Yet, new innovation comes from biotechnology as seen by several drug makers purchasing biotech companies. And the debate goes on...

Third Party Payers Rejecting Claims for Unapproved Morphine Sulfate Oral Solution

The FDA approved Roxane Laboratories' application for Morphine Sulfate Oral Solution 100mg/5ml and 20mg/ml for the relief of moderate to severe, acute and chronic pain in opioid-tolerant patients. This is the only FDA-approved morphine sulfate oral solution available at this concentration. On March 1, the FDA re-issued warning letters to the other manufacturers of Morphine Sulfate Oral Solutions that stated they must cease shipment and distribution of their unapproved product(s) on July 24, 2010.

Ref: [Enforcement Activities by FDA](http://www.fda.gov) page at www.fda.gov

Comment: Despite FDA's July 24th deadline, third party payers are already rejecting claims for these unapproved products. CMS expects Part D plan sponsors to enforce the definition of a Part D drug, including those products without FDA-approved status.

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 way one would check a grocery or restaurant receipt.

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

Pro Pharma's [Invoice Screening™](#) tool analyzes pharmacy invoices within 72 hours to validate invoices prior to payment.

Contact: Carol Stern at: (888) 701-5438 or carol.stern@propharmaconsultants.com to order.

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