



Issue #169 | October 27, 2011

### AMP is Only the Beginning

The Center for Medicare and Medicaid Services (CMS) has published the Average Manufacturer Price (AMP) and the Federal Upper Limits (FULs).

The AMP will be the benchmark for cost-plus retail pharmacy reimbursement (cf. ASP for Part B injectables).

Reference: [Draft Affordable Care Act Federal Upper Limits](#)

**Comment:** Pharmacy is already complaining about the new FUL prices. This is just the beginning salvo as each state publishes its Actual Acquisition Cost (AAC) for Medicaid reimbursement. The profits from generic drugs will be at issue for not just the pharmacies, but also PBMs, drug wholesalers, hospitals, etc. As cost transparency becomes the norm, providers will have to find other sources of revenue.

### Specialty Pharmaceuticals: A Hot Commodity?

The drug wholesaler AmerisourceBergen (ABC) has acquired yet another specialty service business, that of CVS Caremark's TheraCom. This is one of several purchases of Specialty Pharmacy by ABC, and other corporations, this year.

Reference: [AmerisourceBergen to Acquire TheraCom, LLC](#)

**Comment:** Specialty pharmacy has become a commodity. Pricing and distribution have become commoditized even though utilization continues to climb. The fact that wholesalers like ABC own the distribution part of the business further levels the acquisition and distribution playing field. Restricted distribution producers will have to consider the national drug distributors rather than specialty pharmacy if they are to stay competitive. As a result, specialty pharmacy will have to specialize further into clinical and utilization management

### National Take-Back Initiative

Oct. 29, 2011  
10am-2pm

[http://www.deadiversion.usdoj.gov/drug\\_disposal/takeback/](http://www.deadiversion.usdoj.gov/drug_disposal/takeback/)

**Comment:** The National Prescription Take Back day is 10/29/11. Participating pharmacies and police stations will be accepting prescription drugs for free. It is no longer acceptable to flush unwanted medications down the toilet, or throw them away. This initiative is a simple, free, and appropriate method for disposing of unused or expired medications. Please go to the above link to find out more and to find a participating location near you.

### 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.

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for over 25 years to Maintain Quality while Controlling Costs.**