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Specialty Spotlight

Drug Pricing for Ondansetron: Implications

Do drug costs differ significantly when various bases of cost are referenced? We recently researched the price of Ondansetron ODT 4 mg tablets for April 2015. The drug, manufactured by Mylan, is packaged in bottles of 30 tablets. Below is the pricing information we found for the drug. **Please note the sharp decreases in price as we move from AWP, to WAC, NADAC, and ASP.**

Drug Name (Generic)	Ondansetron ODT 4mg tablets	Drug Pricing <small>As of 6-26-15</small>	
Drug Name (Brand)	Zofran	AWP (Average Wholesale Price)	\$668.78
NDC	00378-7732-93	WAC (Wholesale Acquisition Cost)	\$18.35
Package Size	30	NADAC (National Average Drug Acquisition Cost)	\$21.07
Package Quantity	1	ASP (Average Sales Price)	\$1.53
Package Description	Bottle		

Commentary:

What are the implications of these steep price reductions for retail pharmacies as we transition from AWP to WAC, NADAC, and ASP? These pricing figures reveal that retail pharmacies are having an increasingly difficult time achieving a profit (as it pertains to drug sales) when the actual acquisition cost of a drug exceeds its sale price. This concept means that those retail pharmacies – especially chain pharmacies – with the buying power to purchase large quantities of drugs will be rewarded by additional rebates and

discounts that will help alleviate some of the burden that smaller, independent pharmacies may be facing. The latter may not have the purchasing network to buy in bulk and reap the rewards. As such, they must focus on other avenues to gain a profit. For one, they may stop focusing on individual prescriptions (and the gain/loss incurred), and instead attend to the total volume of prescriptions sold. Perhaps the greatest approach for independent retail pharmacies in maintaining their profit margins is to immerse themselves into the field of managed care. No longer would they need to focus upon the number of prescriptions sold, but rather, how well they utilize the volume of prescriptions to cater to the patients who need medications most. By emphasizing prevention via Medication Therapy Management, smaller pharmacies may be rewarded by insurance companies when they save the latter any potential costs incurred had the patient been hospitalized due to potential drug interactions, or monitoring issues, for example. As we move towards a system of healthcare characterized by capitation, retail pharmacies will become an even greater part of the healthcare team by managing patients' disease states as a whole.

Sources: <https://pricerx.medspan.com/ProductInfoReport.aspx?id=00378773293>

Find out more

Benadryl: The Evil Culprit

A new study done by the University of Washington's School of Pharmacy, shows a link between long term use of first generation antihistamines (diphenhydramine or chlorpheniramine) and increasing the risk of dementia. The study also found this to be true for drugs used to treat depression (eg. TCAs, Elavil), asthma (eg. Atrovent), overactive bladder, and Parkinson's. These medications are anticholinergics and they block acetylcholine which is involved in learning, memory, and muscle contraction. The study looked at pharmacy data over a ten year time period, of adults over the age of 65 without dementia, taking prescription and over-the-counter drugs. Researchers found that patients who used anticholinergic drugs were more likely to have developed dementia compared to those who did not use them. The risk of dementia further increases by 54% with cumulative doses of anticholinergics taken for more than three years.

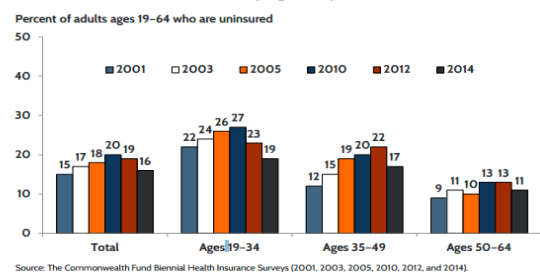
Commentary:

This study is another reminder to periodically evaluate all the medications that patients are taking. The results of the study add to the evidence that antihistamines (e.g. Benadryl) are not drugs that should be taken long-term due to its anticholinergic side effects for example cognitive impairment, constipation, dry mouth and eyes, and urinary retention to name a few. Alternative options, especially in the elderly, include second generation antihistamines (e.g. Loratadine, Cetirizine) to treat allergies since they have lower side effect profiles. It should be noted that even with these, long term use is not recommended. There are also non-medication options such as staying indoors, and avoiding causative

Impact of the Affordable Care Act

The Affordable Care Act (ACA) that was signed into law in 2010 was an essential step into providing nationwide health coverage. Many questioned its impact on the healthcare system. New national statistics may soon provide insight on the ACA's value and effect on the health of Americans throughout the nation. In a health insurance survey by Commonwealth Fund Biennial, it was found that the number of uninsured working age adults *declined* from 37 million in 2010 (20%) to 29 million in 2014 (16%). These statistics are the first time the Commonwealth Fund Biennial Health Survey has found *significant* declines in number of uninsured adults and subsequent health related events.

Exhibit 2. Young Adults Have Made the Greatest Gains in Coverage of Any Age Group



Commentary:

Adults from all age groups saw improved numbers, but it was the 19 – 34 year olds that saw the most impact, being the individuals comprising a large portion of the working force and are unable to qualify for Medicare. However, the survey also reports that along with an increasing trend of insured individuals, deductibles and copayments in private

agents. Therefore, it is important to raise awareness among health care providers and the elderly about this potential medication- disease related interaction.

Sources: Gray, Shelly et al. "Cumulative Use of Strong Anticholinergic Medications and Incident Dementia." JAMA Internal Medicine. January 26, 2015; 175 (3): 401-407.
<http://archinte.jamanetwork.com/article.aspx?articleid=2091745>

health plans and employer based plans are also on the rise. This suggests that the younger, working population is more willing to take part in the increase amount of cost-sharing for the elderly (≥ 65 years) who generally contributes the most total copayments due to higher prescription utilization rates (and who suffer from more disease state morbidities). Also, with a slower decrease in number of uninsured in the elderly population, it would suggest that this population is less interested in cost-sharing as compared to their younger counterparts.

Source: The Commonwealth Fund Diennial Health Insurance Surveys, 2014



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