



#2 – MAC Pricing Variability for Top Generic Drugs and Payers

Overview #2 - MAC Pricing Variability for Top Generic Drugs and Payers

- Objective: evaluate the change in MAC pricing over the course of a month for a single drug and individual payers
- Methodology:
 1. Determined the top-5 Medicare Part D payers by total volume*
 2. Determined the top-3 generic drugs by total volume,* all Medicare Part D payers
 3. Calculated the daily average MAC reimbursement per unit** of each drug by each payer in April 2014
 4. Calculated the daily average COGS per unit of each drug for the top-5 payers in April 2014
- Finding:
 - MAC prices paid for the same generic drug on the same day by different payers can vary considerably

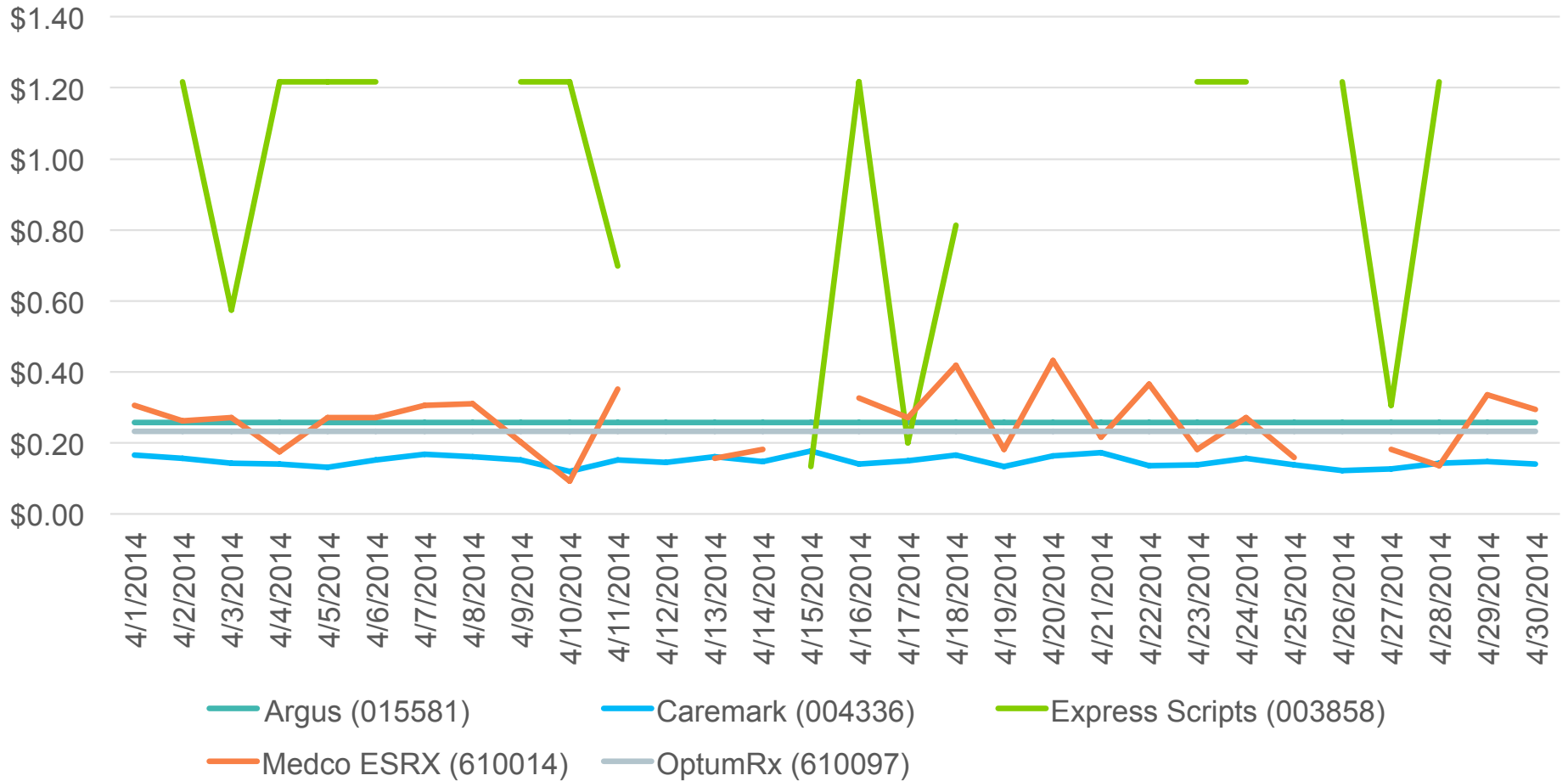
* Volume defined as total days supply dispensed

** For example, the MAC reimbursement for a single pill of the particular drug.

MAC: Maximum Allowable Cost; COGS: Cost of Goods Sold

MAC Variability for Omeprazole

MAC Reimbursement per Unit of Omeprazole* by Top-5 Medicare Part D Payers, April 2014



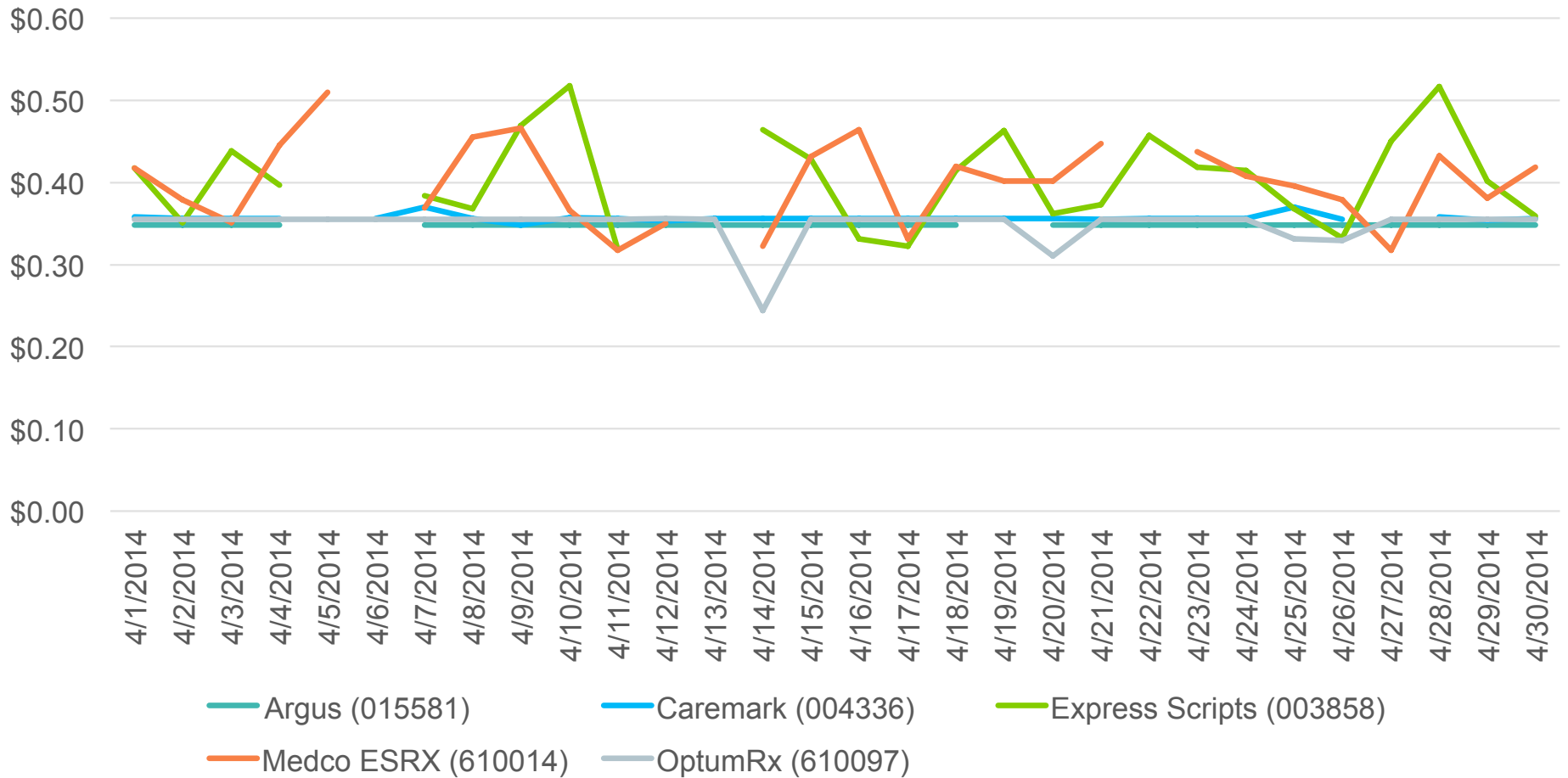
* NDC = 60505006501

MAC: Maximum Allowable Cost; COGS: Cost of Goods Sold; NDC: National Drug Code

Notes: top-5 payers identified based on total days supply dispensed, listed alphabetically. Weighted average MAC reimbursement provided for each payer daily. COGS is the weighted average for all payers, daily. Gaps in the trend line indicate that no data is available for that payer for this drug on that day.

MAC Variability for Potassium Chloride

MAC Reimbursement per Unit of Potassium Chloride* by Top-5 Medicare Part D Payers, April 2014



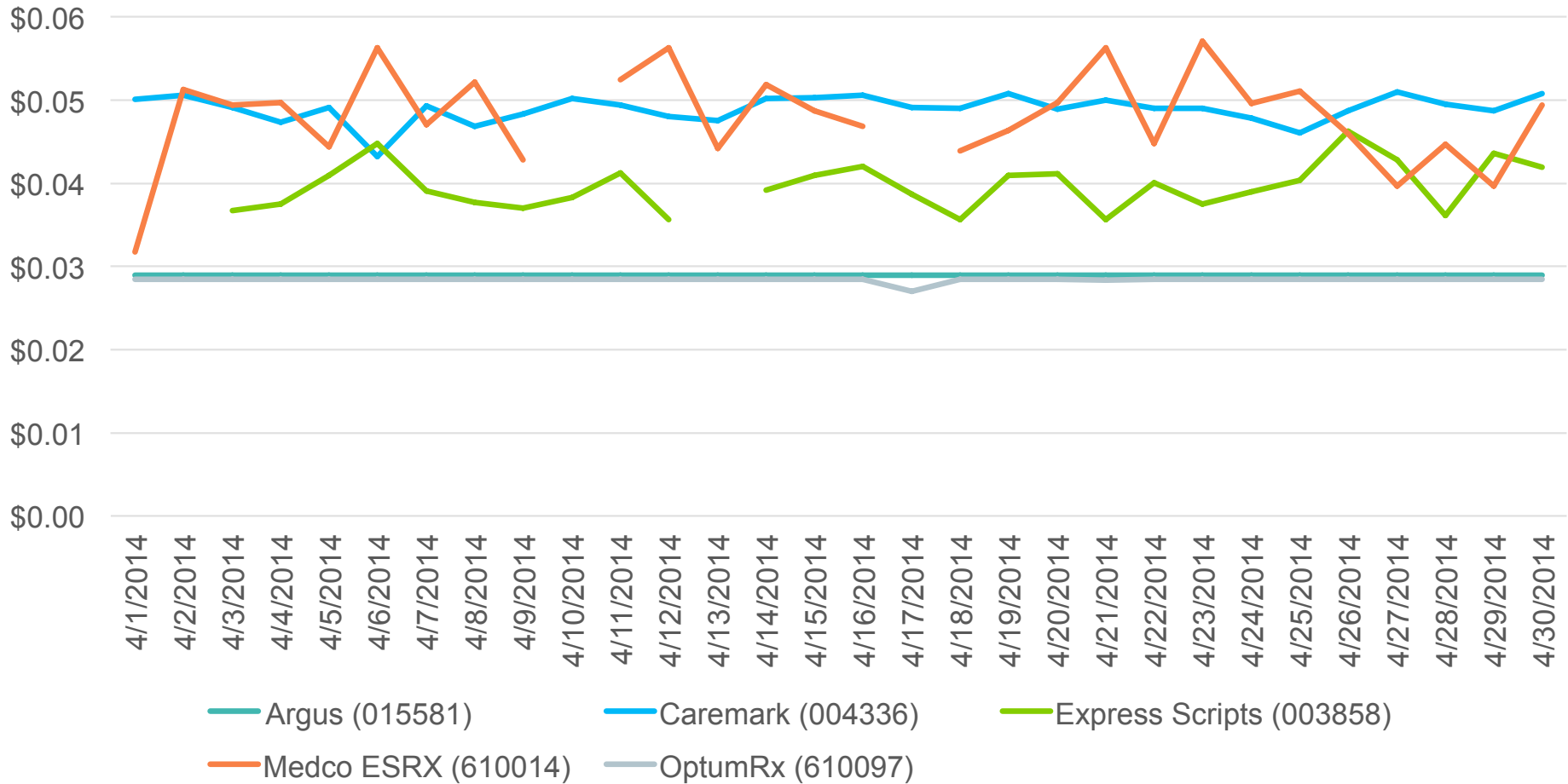
* NDC = 62037099910

MAC: Maximum Allowable Cost; COGS: Cost of Goods Sold; NDC: National Drug Code

Notes: top-5 payers identified based on total days supply dispensed, listed alphabetically. Weighted average MAC reimbursement provided for each payer daily. COGS is the weighted average for all payers, daily. Gaps in the trend line indicate that no data is available for that payer for this drug on that day.

MAC Variability for Polyethylene Glycol

MAC Reimbursement per Unit of Polyethylene Glycol* by Top-5 Medicare Part D Payers, April 2014



* NDC = 51991045757

MAC: Maximum Allowable Cost; COGS: Cost of Goods Sold; NDC: National Drug Code

Notes: top-5 payers identified based on total days supply dispensed, listed alphabetically. Weighted average MAC reimbursement provided for each payer daily. COGS is the weighted average for all payers, daily. Gaps in the trend line indicate that no data is available for that payer for this drug on that day.