

Pharmacy Economics

A POINT OF SALE PERSPECTIVE

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Filling a Prescription

- Prescription Received
- Data Entered
- Cash Price Applied
- Claim Submitted to PBM – 92% of Claims
- Real-Time Claim Response
 - Eligibility
 - Formulary
 - Economics
 - Copay
 - PBM Pays
- Prescription Dispensed

Economics of Brands Name Claims

- 11% of Prescriptions
- 65% of Revenue
- Account for Majority of Increases

Patient Pays (Copay) \$24.10

Plan Pays (PBM) \$249.59

Total Claim \$273.69

Pharmacy Cost \$263.17

Pharmacy Margin \$10.52

- **Down** 25% Since 2010
- Price Spread Concerns
- **Up** 90% since 2010
- Set By Manufacturer (Rebate Driven)
- **Down** 22% since 2010 (NACDS - \$12.40)



Pharmacist Concerns

- No Oversight or Transparency - Kansas
- Overall Costs Not Being Discussed or Disclosed
 - Copay – Only PART of Discussion
 - Price Spread
- Retained Rebates
 - \$1.17 Increase in Retail Price = \$1 Increase in Rebates (85%)
 - PBM Financially Incentivized to Increase Cost
 - PHARMA Subservient
- Market Consolidation & Vertical Integration – Big 3
 - Patient Steering – Reduced Copays
 - Patient Stealing – 79% of Community Pharmacies in 2020
 - Free Market Concerns
- THIS ISN'T WORKING!

Nominal and inflation-adjusted per capita spending on retail prescription drugs, 1960-2017

