



Sampling Program Leads to Free Prescriptions for MCO Patients

By Reba L. Kieke

Legions of pharmaceutical company representatives have long distributed free samples of brand name drugs to physicians, who give them to their patients to try. This contributes to the rising cost of prescription drugs because it directs patients to a brand name pharmaceutical before they can find a generic equivalent.

But an Oklahoma City company is now helping managed care organizations fight back against this type of marketing, by preparing samples of lower-cost drugs that can be given to MCO members to try, instead of the higher cost alternatives.

PD-Rx Pharmaceuticals recently announced that more than 1.5 million prescriptions have been purchased by managed care organizations and self-insured organizations through its program known as Samples on Site (SOS).

PD-Rx launched its pilot sampling program in September 1994 and has offered the Samples on Site program since its inception. "The first couple of years were difficult, and it was a hard sell," notes Robert D. Holsey, MD, president and CEO of PD-Rx. "We were asking the providers to give the medications away, and that is all that they saw in the program - money being spent."

There were those, however, who were willing to listen and develop an understanding of how the savings would help an MCO's bottom line, says Holsey. "We now have many MCOs and PBMs all across the U.S. working with us, developing their own product line and programs necessary to drive down cost on selective therapeutic categories, general therapies, disease state programs, and cost containment."

PD-Rx developed the program of utilizing prepackaged cost-effective pharmaceuticals to help

MCOs reduce inappropriate usage of brand name medications. The program is designed to improve formulary compliance and increase generic usage with the use of first-line defense medications. The overall goal is to reduce the average prescription cost per insured life, reduce the overall dispensing fees from third parties, shifting cost to over-the-counter usage, and improve patient compliance at the point of care.

"In general, MCOs have common goals. Lowering the per member per month (PMPM) script cost is always a priority," says Holsey. "They want to increase formulary utilization, which generally means increasing generic prescriptions, so we help them get started sampling generic products, which leads to more written scripts for generic medications when, in the opinion of the doctor, the generic is deemed effective and safe."

More generics results in lower PMPM costs, explains Holsey. "Many PBMs have started programs like this as a sort of a 'Generics First' type of approach that can be very effective."

In other cases, sampling over-the-counter medications is a desired goal instead of writing prescriptions for costly Rx-only medicines. As a result, PD-Rx puts together a sampling program whereby the doctor samples the patient with generic OTC products, such as allergy medications, topical creams, and H2 blockers. If the OTC samples are effective, then the patient is able to pick up a less expensive medication that generally costs less than the copay for an Rx only medication, and the MCO isn't out the cost for the Rx only medication. "This becomes a winwin for both the patient and the MCO," notes Holsey.

Cost shifting occurs when an over-the-counter medication is substituted for what would have been a prescription medication, notes Holsey. "With the growth of OTC medications that were once only prescription, it is a cost-sparing approach for the MCO and helpful to the patient both in terms of cost and time savings."

The program allows patients to pick up an OTC product that is less costly, which enables patients to save time because they no longer have to go to the physician or pharmacy to get refills or refill authorizations. "Instead, they can pick up the OTC product just about anywhere, thereby shifting the cost from the health care provider to the patient," Holsey explains.

SOS samples are manufactured by PD-Rx based on the needs of the provider. Cost is reflective of the formulary of medications that each MCO or PBM wishes to provide. The overall cost of the program includes medications, packaging fees, adjudication fees, record keeping, reports, and program support fees. "The program is simple as to its cost but must be used

appropriately to drive down the cost of pharmaceuticals," says Holsey.

By making SOS samples available to the physician population, it provides them with a selection of inexpensive medications that they may substitute or utilize as first line defense or first fill with maintenance medications as a starter dose, Holsey explains. "Many times a patient will continue therapy based on the samples that were provided. If we provide the physicians with an economical sample line, future pharmacy expenses will be less."

The MCO will save money on this prescription and every other prescription thereafter if a patient does well on an SOS sample that is less expensive, notes Holsey. "By increasing generic usage, providing cheaper therapeutic substitutions, cost shifting patients to OTC products, offering first fill scripts, disease state programs, cost containment programs, and changing the prescribing habits of health care providers, MCOs and PBMs will be able to provide an economical pharmaceutical program."

The bottom line is simply to save money by providing alternate methods of distributing and making available selective pharmaceuticals products, explains Holsey. "As MCOs lower their PMPM values, they see the end results. As the PMPM value in selective therapeutic categories

comes down, the MCOs see the savings each month. Making generics readily available translates into increased generic usage and lower prescription cost to MCOs." *

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