

Source: GAO telephone survey of a sample of physicians who billed Medicare for a low volume of cancer drugs in 1999 and AWP's listed in a contemporaneous wholesaler catalog.

TABLE 3.—MEDICARE PART B DRUGS IN THE MOST RECENT GAO AND OIG STUDIES

Brand drugs ^(c)	HCPCS	Medicare allowed charges (CY '02, run thru 2/03)	Rank in terms of Medicare allowed charges across all part B drugs	GAO average widely available price as a percent of AWP ^(a) (2001)	OIG median catalogue price as a percent of AWP ^(b) (2000)	Average of GAO and OIG data (percent)	"Spread" ⁽ⁱ⁾ (percent)
EPOETIN ALFA (PROCRIT)	Q0136	\$928	1	85	89	87	8
LEUPROLIDE ACETATE (LUPRON)	J9217	627	2	82	80	81	15
GOSERELIN ACETATE (ZOLADEX)	J9202	441	4	78	80	79	17
RITUXIMAB (RITUXAN)	J9310	377	6	81	80	81	15
PACLITAXEL ^(c) (TAXOL)	J9265	226	9	81	80	81	15
DOCETAXEL (TAXOTERE)	J9170	221	10	78	80	79	17
CARBOPLATIN (PARAPLATIN)	J9045	189	11	80	82	81	15
IRINOTECAN (CAMPTOSAR)	J9206	170	12	77	80	79	17
GEMCITABINE HCL (GEMZAR)	J9201	159	13	79	80	80	16
PAMIDRONATE DISODIUM ^(c) (AREDIA)	J2430	126	14	83	87	85	11
DOLASETRON MESYLATE (ANZEMET)	J1260	125	15	^d 58	^d 53	56	41
FILGRASTIM (NEUPOGEN) 480mcg	J1441	99	17	^d 81	^d 80	81	15
HYLAN G-F 20 (SYNVISC)	J7320	93	18	^d 82	.....	^f 82	14
MYCOPHENOLATE MOFETIL (CELLCEPT)	J7517	64	20	^e 86	.....	86	9
FILGRASTIM (NEUPOGEN) 300mcg	J1440	53	26	^d 81	^d 80	81	15
GRANISETRON HCL (KYTRIL)	J1626	47	28	71	71	71	25
ONDANSETRON (ZOFTRAN)	J2405	45	29	87	86	87	8
VINORELBINE TARTATE ^(c) (NAVELBINE)	J9390	38	33	81	^g 81	15	.....
SARGRAMOSTIM (LEUKINE)	J2820	35	35	80	.....	^g 80	16
TOPOTECAN (HYCAMTIM)	J9350	34	36	.....	84	^g 84	12
Generic Drugs							
IPRATROPIUM BROMIDE	J7644	550	3	^d 33	^{(d)(i)} 34	34	64
ALBUTEROL SULFATE	J7619	381	5	15	⁽ⁱ⁾ 18	17	82
IMMUNE GLOBULIN ^(h)	J1561 J1563	105	.....	.....	72	^g 72	24
LEUCOVORIN CALCIUM	J0640	61	22	14	15	15	84
DOXORUBICIN HCL	J9000	29	41	.....	22	^g 22	77
DEXAMETHOSONE SODIUM PHOSPHATE	J1100	3	104	86	.....	^f 86	9
HEPARIN SODIUM LOCK-FLUSH	J1642	3	105	66	^f 66	.....	31
CROMOLYN SODIUM	J7631	3	106	31	^f 31	67	.....
ACETYLCYSTEINE	J7608	2	129	^e 28	64	46	52

Sources: GAO, "Medicare Payments for Covered Outpatient Drugs Exceed Providers' Costs," September 2001. OIG, "Medicare Reimbursement of Prescription Drugs," January 2001. OIG, "Excessive Medicare Reimbursement for Albuterol," March 2002. OIG, "Excessive Medicare Reimbursement for Ipratropium Bromide," March 2002.

^(a) GAO estimated the average widely available discount from AWP. We converted that figure into the average widely available price as percent of AWP by subtracting the GAO average widely available discount from 100 percent.

^(b) The OIG studies report the median Medicare payment amount and the median catalogue price for each HCPCS code. Based on the OIG data, we divided the OIG Medicare payment amount by 95 percent to estimate AWP and then divided the median catalogue price by the estimated AWP.

^(c) PACLITAXEL and PAMIDRONATE DISODIUM became generic drugs in 2002 and VINORELBINE TARTATE became generic in 2003, however, the pricing information in the GAO and OIG studies covers the time period when they were brand drugs only.

^(d) For these drugs, GAO only had data from 1 wholesaler in 2001, but had data from 2 or more sources in 2000. The widely available price as a % of AWP shown above for these drugs is the 2000 estimate. The figures for 2000 and 2001, respectively, were: DOLASETRON MESYLATE (58% and 35%), FILGRASTIM 480mcg (81% and 82%), HYLAN G-F 20 (82% and 82%) FILGRASTIM 300mcg (81% and 82%), and IPRATROPIUM BROMIDE (33% and 22%).

^(e) GAO data are for 2000.

^(f) Only based on GAO data.

^(g) Only based on OIG data.

^(h) Immune globulin was included in the generic category because it is a multisource biologic. OIG collected data on Immune Globulin HCPCS J1562. That Jcode is no longer in use and now corresponds to Jcodes 1561 and 1563.

⁽ⁱ⁾ The price estimates based on OIG data for ALBUTEROL AND IPRATROPIUM BROMIDE include more than just catalogue prices. OIG conducted special studies on these two drugs in 2002. The studies provided data on the median Medicare payment amount in 2001, the median wholesale catalogue price in 2001, the median invoice price (data gathered by OIG reflecting the time period 1998–August 2000), and the median wholesale acquisition cost reported in the April 2001 Drug Topics Redbook. For these 2 drugs, we calculated the median price across OIG's three data sources, and then divided it by our estimate of AWP (OIG's Medicare median payment amount divided by 95%).

^(j) The "spread" is the percent difference between the Medicare reimbursement price (i.e., 95 percent of AWP) and the average GAO/OIG widely available/catalogue price.

^(k) Top 20 w/combined Jcodes.

TABLE 4.—SUMMARY OF OIG REPORTS ON MEDICARE PRESCRIPTION DRUGS

Year of Report	1997	1998	2000			2001		2002
Drugs reviewed	22 drugs	34 drugs	5 ESRD drugs	Albuterol	24 drugs	Albuterol	24 drugs	Ipratropium Bromide
Year Reviewed	1996	1997	1998	1999	1999	2000	2000	2000
Medicare Expenditures for Reviewed Drugs	³ \$1.5	³ \$2.1	⁴ \$379	⁴ \$246	³ \$3.1	⁴ \$296	³ \$3.7	⁴ \$348
Excessive Payments Based On:								
VA .....	.....	³ \$1	⁴ \$162	⁴ \$209	³ \$1.6	⁴ \$264	³ \$1.9	⁴ \$279
Catalogs	⁴ \$447	.....	.....	.....	⁴ \$761	⁴ \$245	⁴ \$887	⁴ \$262
Medicaid .....	.....	.....	⁴ \$42	⁴ \$120	⁴ \$425	.....	.....	.....
Beneficiary Share of Excessive Payments:								
VA .....	.....	.....	⁴ \$32	⁴ \$42	⁴ \$320	⁴ \$53	⁴ \$380	⁴ \$56
Catalogs	⁴ \$89	⁴ \$200	.....	.....	⁴ \$152	⁴ \$49	⁴ \$177	⁴ \$52