



Forbes / Pharma & Healthcare

Wrs #53 #wrc fmv#iru#5349

P D \#3 /#345# #<=87#DP **52,298** YIHZ V

Inside The Secret World Of Drug Company Rebates



P dwk#hz #K#hushu
 /IR UEHV#WDII#
 I#fryu#v#l#qf#l#g
 p hg#l#q#l#g#e#h#l#y#h#k#l#v#
 e#l#r#j | v#h#q#w#u|1

[IR OOR Z #R O #R UEHV#53;4,](#)

D J 7)

IX 00#IR @

The free market is alive and well when it comes to drug prices – if you’re an insurance company or a government program. But not if you’re a consumer.

Top-selling pharmaceuticals,

| |
|---------------|
| NPS EX. 2133 |
| CFAD v. NPS |
| IPR2015-01093 |

seem priced in a manner that has little to do with the laws of supply and demand. Want that new cholesterol medicine (\$2,000 per year), that cancer treatment (\$60,000 per year), or the medicine for your child's rare disease (\$300,000 per year)? No negotiation. It's your money or your life.

— Uhfrp p hqghg# | #ruehv —

ForbesBrandVoice

EY Voice: 7 Ways To Build Your Leadership Skills In 2016

The Truly Staggering Cost Of Inventing New Drugs

ForbesB

Fidelity 401(k) Estates You Ne Know

But in fact drug companies are constantly negotiating, not with individuals but with payers – Medicare, Medicaid, insurers such as United Health Care and Aetna and pharmacy benefit plans such as Express Scripts. They don't reduce the price of their medicines. Instead, the drug firms pay rebates after the fact. For Medicaid, the price decreases are mandated by law, but everywhere else, free market forces are very much in effect. Me too drugs and those facing patent expiration have to deal with

annual price increases are partly a way to deal with all this rebating. Of course, if you're a person without health insurance buying medicines at the counter of **Walgreen** ZDJ# ('s, you're stuck with the list price.

Rebates cut about \$40 billion out of the drug industry's sales every year, says Pratap Khedkar, a principal at pharma marketing consultancy ZS Associates. We know that because the drug industry reports both its gross sales (before the rebates) and net sales (after the rebates are taken out). The size of the rebate average about 30% of a medicines sales, Khedkar says, and can be as low as single digits or as higher than 50% of gross sales.

"These may not be visible to the consumer," says Khedkar. "But between the insurance company and the pharma company, it is a very efficient free market."

| Gujj | IP V#hwip dwhg X IVI#vdhv + E b | Frp sdq uhsruwg#X IV1 Vdohv# E b | Hwip dwhg uhedwhv#(, |
|----------|---------------------------------------|--|--------------------------|
| Ols lru | ' :1: | ' 813 | 68 (|
| Soyl{ | ' 91; | ' 919 | 6 (|
| Qh{ kxp | ' 915 | ' 517 | 94 (|
| De bi | ' 815 | ' 713 | 57 (|
| Dgydlu | ' 719 | ' 713 | 46 (|
| Vhurtxho | ' 719 | ' 616 | 5: (|
| Vljxælu | ' 719 | ' 618 | 56 (|
| Fuhvru | ' 717 | ' 614 | 63 (|
| F p edod | ' 61: | ' 615 | 47 (|
| Kxp ld | ' 618 | ' 617 | 5 (|

VrxuFhv#IP V#Khdok #Frp sdq |#vdwhp hqw/#lqddv#uhsruw

No company reports how much of the gross sales of an individual drug are being given back to the payers. But there is a way to peer into the hidden world of pharma rebates. Every year, IMS Health, the prescription data tracking service, publishes its own lists of the most prescribed and the top-selling medicines in the country. But IMS' data capture gross sales at pharmacies, before the rebates happen. By comparing the gross sales reported by IMS to the sales the companies report to the Securities and Exchange Commission, it's possible to get

in the form of rebates.

22 Frp p hqw#rqr#k lv#wru|

SDJH#4#2#5

Frqwlqxh#B



Sulqw



Uhsruw#ruhfvlrqv



Uhsulqw# #Bhup lvlrqv

SEE ALSO

| | |
|--------------------------------------|--------------------------------------|
| BENICAR ONLINE SALE | LOCAL HEALTH CLINICS |
| WALMART MEDICATION | HOME REMEDIES |
| GENERIC LEXAPRO COST | PHARMACY TECHNICIAN |
| HEALTH INSURANCE | LOCAL PHARMACY |

From the Web

Ads by Revcontent

Remove Your Eye Bags In Under 2

Forget the iPhone 7. Next Apple Sensation

Ever Googled Someone? Do A "Deen Search"

Women: 5 Veggies That Kill Stomach Fat

Forget Pensions! 11 Rules for

Buffett's Warning: 4.5M Americans Own

10 Online Dating Sites That Really

Democrats Will Bury This Video If They Want To



Forbes / Energy

Wrs #53 #wrc fmv #iru #5349

MDQ #6 /#5349 #C #B ; -7 < #DP 5,813 YIHZ V

Schneider Electric Promising Battery At Lower Cost Than Tesla



Shwhu#Ntho| 0
Ghwz lhu
/ FR QWUIEX WR U
H#ryhu#kch#qhu| #qgxwu|1
[IR OOR Z #R Q #R UEHV#55 .](#)
J 7 1)
R s l r q v h { s u h v h g # | # r u e h v
Frqwilexwuv#lth#khl#kz q1

IX OO #EIR @

2015 was a very big year for battery storage in the electricity industry. Numerous storage projects were announced, many start-ups



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.