



Iowa Priority Mission Statement

The mission of Iowa Prescription Drug Corporation is to provide a unique and comprehensive prescription savings program that includes: care coordination, communication, education, and medication discounts.



Goals

- To relieve the burden of high prescription costs to Iowa seniors and disabled
- To develop a partnership between patients, physicians, pharmacists, and pharmaceutical companies to meet this goal



Development Parameters

- Requires no state legislation
- Requires no state funds
- Development of a not-for-profit corporation
- Create a program that would not pass the burden of discounts to the pharmacists



Iowa Priority At-A-Glance

- Not-for-profit program initiated January 1, 2002
- First demonstration project of its kind to receive federal funding
- Supported by Iowa Pharmacy Association, Iowa Medical Society, Iowa Osteopathic Medical Association and AARP
- \$20 annual membership fee
- Available to all Medicare-eligible Iowans
- Supported by Argus Health Systems, our Pharmacy Benefits Manager



Iowa Priority Status Report

Medicare – eligible lowans	435,000/285,000
Total Iowa Priority members	24,600 / 70,600
Brown Bag Assessments completed	3,207
Monthly Utilization	40% / 15%
Pharmacy Utilization	87%



Iowa Priority Features

- Average Wholesale Price, minus (-) 10%, minus contracted discount from drug manufacturers
- Argus MAC which includes approximately 15,000 generic drugs
- Discounts adjudicated to member at point of sale
- Preferred Medication List on web site as well as by mailings to consumers, physicians, and pharmacists
- All Iowa licensed physicians, pharmacists and pharmacies may participate in the program
- Final decisions for prescription recommendations are those of the prescribing physicians and their member patients



Iowa Priority Features cont...

- Brown Bag Assessment- a free comprehensive review of medication by a pharmacist or physician (\$25)
- Ongoing education materials for members
- Health care outcomes measurement through a collaborative relationship with the University of Iowa College of Pharmacy



Discount

- AWP minus (-) 10%
- All drugs covered
- Preferred Medication List enhanced discounts from Merck, Bristol-Myers Squibb, Schering-Plough, and Novartis
- Addition of Novartis Income Eligibility
 - a. 200% of Federal Poverty Level and below \$12.00 copayment
 - b. 201-300% of Federal Poverty Level Discount



Manufacturer Discount Statistics

	Discount Claims	Discount Amount	Avg. Disc. per Claim
March	837	\$ 5,619.25	\$6.71
April	2650	\$17,841.15	\$6.73
May	2877	\$19,599.81	\$6.81
June	2770	\$18,450.77	\$6.66
July	3170	\$22,021.26	\$6.95
August	3295	\$23,275.38	\$7.06
September	3097	\$21,579.90	\$6.97
October	3228	\$22,818.41	\$7.07
November	2995	\$20,892.00	\$6.98
December	3320	\$24,881.20	\$7.49



Prescription Usage for Brand name medications versus generic alternatives

	<u>% generic filled</u>	<u>% brand filled when generic was available</u>
January 2002	43.2%	20.9%
February 2002	44.1%	18.4%
March 2002	45.4%	19.5%
April 2002	46.0%	19.3%
May 2002	45.9%	19.4%
June 2002	46.4%	19.5%
July 2002	48.1%	20.0%
August 2002	49.2%	18.7%
September 2002	49.7%	18.9%
October 2002	49.9%	18.0%
November 2002	50.2%	18.0%
December 2002	50.6%	17.6%



Summary

1. Average Wholesale Price minus 10% for Brand Medications
2. Enhanced savings for 32 medications on the Preferred Medication List
3. Savings from switching to generic medication from brand medication
4. Savings from Brown Bag Assessment
 - a. Drug Interaction
 - b. Drug Duplication
 - c. University of Iowa research (press release)
5. Improvement of quality of life



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