

Methods:

P4AD analyzed the wholesale acquisition cost (WAC) data for the 170 unique National Drug Codes (NDCs) with price hikes greater than 1% or \$1 that were posted between July 1 and July 6. Among the 170 NDCs that increased in price, 75 were defined as distinct product hikes.

To analyze the price hikes that were posted since the beginning of calendar year 2021, we analyzed the WAC changes for the 3,177 unique NDCs with price hikes greater than 1% that were posted between Jan. 1 and July 6. Among the 3,177 unique NDCs that increased in price, 1,100 were defined as distinct product hikes.

Our methodology for defining a distinct product was consistent with the CMS Dashboard's [definition](#). We define a product as a grouping of NDCs having the same branded drug name and being sold by the same manufacturer. For example, if a drug had the *same brand name*, but multiple NDCs for variations in strength or dosage, it was considered one price hike. But if *multiple brand names* exist for drugs with the same active ingredient but vary in concentration or route of administration, then it would be counted as multiple product increases.

Any drug duplicates that exist in the list above are consistent with how drugs are defined in the CMS Dashboard. Pricing and NDC data were drawn from AnalySource.¹ Variable definitions used in our analysis can be found [here](#). In addition, we determined the most costly drugs for Medicare by analyzing the CMS Dashboard's Parts B and D datasets for the year 2019.

How did you determine if price hikes were “above inflation”?

We compared price hike percentages to the [12-month Consumer Price Index \(CPI\) inflation rate](#). We chose a comparator rate based on the period corresponding to the date the hikes were posted. For example, March 2021 price hikes were compared to a CPI inflation rate of 1.7%, which was the most recently available inflation rate for the 12-month period ending in February. The set of hikes posted between July 1 and July 6 was compared to a CPI inflation rate of 5.0%, which was the most recent 12-month change as reported by the Bureau of Labor Statistics.

If multiple doses and/or quantities existed for the same product, how did you determine which version to analyze?

We selected doses based on a typical monthly or average supply. If a drug was intravenous or injectable and used weight-based dosing, we calculated a typical dose using an average weight of 80 kg and body surface area of 1.7 m².

What is AnalySource? AnalySource is a drug pricing compendia owned by DMD America and used widely by industry; data for AnalySource comes from First Databank.

¹ AnalySource® as reprinted with permission by First DataBank Inc. All rights reserved. © (2021). Please refer to <http://www.fdbhealth.com/policies/drug-pricing-policy/> for more information.