

January 2022 Price Hikes Report Methods:

P4AD analyzed the wholesale acquisition cost (WAC) data for the 654 unique National Drug Codes (NDCs) with price hikes greater than 1% that were posted between Jan. 6, 2022 and Jan. 20, 2022. After removing price hikes of less than \$1, which resulted in 628 NDCs, 188 products were identified as having distinct price hikes. These distinct hikes were then added to the [initial January price hike data set](#) for a total of 742 distinct hikes for the month of January.

Our methodology for defining a distinct product is consistent with the Center for Medicare and Medicaid Services [Dashboard 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* existed for drugs with the same active ingredient that varied in concentration or route of administration, it was counted as multiple product hikes. Any drug duplicates in our data are identical to how drugs are defined in the CMS Dashboard and consistent with the independent drug compendia company AnalySource.

All pricing and NDC data was drawn from AnalySource.¹

Price hikes were compared to the most recently published [CPI-U](#) (see below for definition). CPI-U is the same measure used to quantify price increases in the [Build Back Better Act](#). This group of drugs was compared to the CPI-U of [6.8%](#) (representing the rate of inflation from November 2020 to November 2021). Hikes were also compared to the [projected](#) inflation rate of 2.3% for 2023.

Variables and Definitions:

National Drug Code (NDC): The NDC is an 11-character alphanumeric code that [serves](#) as the FDA identifier for unique drugs.

Wholesale Acquisition Cost (WAC): WAC as published by First Databank represents the manufacturer's published catalog or list price for a drug product to wholesalers as reported to First Databank by the manufacturer. WAC does not represent actual transaction prices and does not include prompt pay or other discounts, rebates, or reductions in price.

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.

Consumer Price Index for all Urban Consumers (CPI-U): The Consumer Price Index (CPI) is published monthly by the Bureau of Labor Statistics (BLS) and measures the change in prices paid by consumers for goods and services. [CPI-U](#) (CPI for urban consumers) is the most common measure of the rate of inflation.

¹AnalySource® as reprinted with permission by First DataBank Inc. All rights reserved. © (2022). Please refer to <http://www.fdbhealth.com/policies/drug-pricing-policy/> for more information.