

July 2022 Price Hike Report Methods:

P4AD analyzed the wholesale acquisition cost (WAC) data for the 363 unique National Drug Codes (NDCs) with price hikes greater than 1% that were made effective between June 24, 2022 and July 5, 2022. After removing price hikes of less than \$1, which resulted in 303 NDCs, 133 products were identified as having distinct price hikes.

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 [legislation](#) currently being considered by the U.S. Senate. This group of drugs was compared to the CPI-U of [8.6%](#) (representing the rate of inflation from May 2021 to May 2022), which was the most recently available rate of inflation at the time of analysis.

Year-to-date data cited was determined using an identical methodology. We analyzed the WAC data for more than 3,000 unique NDCs with price hikes greater than 1% that were made effective between January 1, 2022 and July 5, 2022. We identified 1,186 products as having distinct price hikes. Each price hike was compared to the most recently published CPI-U at the time of analysis.

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.

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