



PHARMACY PRICING ANALYSIS

Hospitals are moving towards standardizing pharmacy pricing across all departments and services, thus improving compliance issues associated with inconsistent charging practices. Although there is no right or wrong way to structure a markup formula for pharmacy, **ParaRev** recommends the following:

- Self-Administered Drugs (SAD) should have lower markups to comply with Medicare billing standards
- Pricing should be developed using a nationally recognized cost basis or actual acquisition cost
- Fixed Add-On and Minimum Charges should be utilized to compensate for any use of additional departmental resources for handling or compounding the medication

The purpose of the **ParaRev Pharmacy Pricing Process** is to create a rational, cost-based pharmacy markup using the cost basis and charge categories as determined by the client to meet the guidelines listed above.

The **ParaRev Pharmacy Pricing Process** deliverables include a proposed markup, gross and net revenue projections, an item-specific detailed spreadsheet proposed changes, and a full write-up of techniques and findings.

Category	Low	High	Minimum	Multiplier	Fixed Add On
COMP	0.01	999,999.99	0.00	4.20	5.00
IV	0.01	999,999.99	0.00	10.24	12.00
IVCAR	0.01	999,999.99	0.00	9.75	12.00
IVTPN	0.01	999,999.99	0.00	1.00	0.00
LIQUIDS	0.01	999,999.99	0.00	3.15	2.00
NCMED	0.01	999,999.99	0.00	.00	0.00
NOCHARGE	0.01	999,999.99	0.00	.00	0.00
UD INJ	0.01	999,999.99	0.00	3.31	15.00
UD SOLIDS	0.01	999,999.99	0.00	3.15	2.00

Category	Low	High	Minimum	Multiplier	Fixed Add On
COMP	0.01	999,999.99	0.00	2.50	10.00
IV	0.01	999,999.99	0.00	5.00	75.00
IVCAR	0.01	999,999.99	0.00	5.00	75.00
IVTPN	0.01	999,999.99	0.00	1.00	0.00
LIQUIDS	0.01	999,999.99	0.00	2.50	5.00
NCMED	0.01	999,999.99	0.00	.00	0.00
NOCHARGE	0.01	999,999.99	0.00	.00	0.00
UD INJ	0.01	999,999.99	0.00	5.00	75.00
UD SOLIDS	0.01	999,999.99	1.00	2.50	0.00

Contact your ParaRev Account Representative to learn more about ParaRev's Pharmacy Pricing program!

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