

Generic Effective Rate (GER) Comparison - NO WEIGHTED AVERAGE							Generic Effective Rate (GER) Comparison - WEIGHTED AVERAGE							Reconciliation to Guaranteed GER = 80%			
EXAMPLE A - MAC based generic pricing: GER = 80%							EXAMPLE A - WEIGHTED AVERAGE BASED ON QUANTITY DISPENSED: GER = 83%							EXAMPLE A - PBM OWES PHARMACY \$60			
Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Pharmacy reimbursement from PBM per rx	Pharmacy product cost per rx	Pharmacy gross profit based on product cost only	Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Extended Pharmacy reimbursement from PBM	Pharmacy product cost per rx	Extended Pharmacy product cost	Pharmacy gross profit based on product cost only	Actual Pharmacy Reimbursement	GER = 80% Reimbursement	Amount Owed to Pharmacy
#1	1	\$ 100.00	90%	\$ 10.00	\$ 5.00	\$ 5.00	#1	5	\$ 100.00	90%	\$ 50.00	\$ 5.00	\$ 25.00	\$ 25.00	\$ 160.00	\$ 220.00	\$ 60.00
#2	1	\$ 80.00	85%	\$ 12.00	\$ 7.00	\$ 5.00	#2	4	\$ 80.00	85%	\$ 48.00	\$ 7.00	\$ 28.00	\$ 20.00			
#3	1	\$ 60.00	80%	\$ 12.00	\$ 9.00	\$ 3.00	#3	3	\$ 60.00	80%	\$ 36.00	\$ 9.00	\$ 27.00	\$ 9.00			
#4	1	\$ 40.00	75%	\$ 10.00	\$ 11.00	\$ (1.00)	#4	2	\$ 40.00	75%	\$ 20.00	\$ 11.00	\$ 22.00	\$ (2.00)			
#5	1	\$ 20.00	70%	\$ 6.00	\$ 13.00	\$ (7.00)	#5	1	\$ 20.00	70%	\$ 6.00	\$ 13.00	\$ 13.00	\$ (7.00)			
	5		80%	\$ 50.00		\$ 5.00		15		83%	\$ 160.00		\$ 45.00				
TOTAL							TOTAL										
EXAMPLE B - MAC based generic pricing: GER = 80%							EXAMPLE B - WEIGHTED AVERAGE BASED ON QUANTITY DISPENSED: GER = 77%							EXAMPLE B - PHARMACY OWES PBM \$60			
Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Pharmacy reimbursement from PBM per rx	Pharmacy product cost per rx	Pharmacy gross profit based on product cost only	Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Extended Pharmacy reimbursement from PBM	Pharmacy product cost per rx	Extended Pharmacy product cost	Pharmacy gross profit based on product cost only	Actual Pharmacy Reimbursement	GER = 80% Reimbursement	Amount Owed to PBM
#1	1	\$ 100.00	70%	\$ 30.00	\$ 5.00	\$ 25.00	#1	5	\$ 100.00	70%	\$ 150.00	\$ 5.00	\$ 25.00	\$ 125.00	\$ 280.00	\$ 220.00	\$ (60.00)
#2	1	\$ 80.00	75%	\$ 20.00	\$ 7.00	\$ 13.00	#2	4	\$ 80.00	75%	\$ 80.00	\$ 7.00	\$ 28.00	\$ 52.00			
#3	1	\$ 60.00	80%	\$ 12.00	\$ 9.00	\$ 3.00	#3	3	\$ 60.00	80%	\$ 36.00	\$ 9.00	\$ 27.00	\$ 9.00			
#4	1	\$ 40.00	85%	\$ 6.00	\$ 11.00	\$ (5.00)	#4	2	\$ 40.00	85%	\$ 12.00	\$ 11.00	\$ 22.00	\$ (10.00)			
#5	1	\$ 20.00	90%	\$ 2.00	\$ 13.00	\$ (11.00)	#5	1	\$ 20.00	90%	\$ 2.00	\$ 13.00	\$ 13.00	\$ (11.00)			
	5		80%	\$ 70.00		\$ 25.00		15		77%	\$ 280.00		\$ 165.00				
TOTAL							TOTAL										
EXAMPLE C - MAC based on straight AWP - 80%: GER = 80%							EXAMPLE C - MAC based on straight AWP - 80%: GER = 80%							Example C - NO RECONCILIATION REQUIRED			
Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Pharmacy reimbursement from PBM per rx	Pharmacy product cost per rx	Pharmacy gross profit based on product cost only	Drug*	# Rxs	AWP* per rx	AWP Minus % of MAC	Extended Pharmacy reimbursement from PBM	Pharmacy product cost per rx	Extended Pharmacy product cost	Pharmacy gross profit based on product cost only			
#1	1	\$ 100.00	80%	\$ 20.00	\$ 5.00	\$ 15.00	#1	5	\$ 100.00	80%	\$ 100.00	\$ 5.00	\$ 25.00	\$ 75.00			
#2	1	\$ 80.00	80%	\$ 16.00	\$ 7.00	\$ 9.00	#2	4	\$ 80.00	80%	\$ 64.00	\$ 7.00	\$ 28.00	\$ 36.00			
#3	1	\$ 60.00	80%	\$ 12.00	\$ 9.00	\$ 3.00	#3	3	\$ 60.00	80%	\$ 36.00	\$ 9.00	\$ 27.00	\$ 9.00			
#4	1	\$ 40.00	80%	\$ 8.00	\$ 11.00	\$ (3.00)	#4	2	\$ 40.00	80%	\$ 16.00	\$ 11.00	\$ 22.00	\$ (6.00)			
#5	1	\$ 20.00	80%	\$ 4.00	\$ 13.00	\$ (9.00)	#5	1	\$ 20.00	80%	\$ 4.00	\$ 13.00	\$ 13.00	\$ (9.00)			
	5		80%	\$ 60.00		\$ 15.00		15		80%	\$ 220.00		\$ 105.00				
TOTAL							TOTAL										
*Numbered drugs in all examples are the same. AWP's are NDC# specific.							*Numbered drugs in all examples are the same. AWP's are NDC# specific.										