
Wolters Kluwer Health Pricing Policy

Average Wholesale Price (AWP)

The Wolters Kluwer Health Average Wholesale Price (AWP) is intended only to be used by Wolters Kluwer Health customers. While many customers use this information as a price index, the Wolters Kluwer Health AWP does not represent an average of wholesale prices from any group of transactions in the marketplace and a wholesaler may agree to sell its products to one or more of its customers at a lower price through the use of any number of methods, such as discounts or rebates. Effective September 27, 2009 the Wolters Kluwer Health AWP is published pursuant to the guidelines set forth below.

As a condition to Wolters Kluwer Health publishing the AWP of a product, the manufacturer must supply at least one of the following price types:

- Suggested Wholesale Price (SWP)
- Whole Sale Acquisition Cost (WAC)
- Direct Price (DP)

In all cases where the manufacturer supplies an SWP, even if accompanied by either or both of a WAC or DP, the AWP will be the manufacturer's SWP as reported to Wolters Kluwer Health. In all cases where the manufacturer does not supply an SWP, the AWP results from applying a markup to the manufacturer's reported WAC or DP. DP is only used to determine AWP when the manufacturer does not supply a WAC. The markup applied to the WAC or DP for active products is based either on a standard markup of 20% or an inquiry markup from historical wholesaler data where the inquiry markup is 20% or less.

This AWP pricing policy governs pricing information published in documentation manuals of other Wolters Kluwer Health products.

Note: Inactive products prior to September 27, 2009 may have markup factors greater than 20% and were subject to previous Wolters Kluwer Health AWP Editorial Policies effective at that time.

Direct Price (DP)

DP represents the price, as reported to Medi-Span by a manufacturer, at which non-wholesalers and providers may purchase drug products from that manufacturer. DP does not necessarily represent the actual sales price in any single transaction, as any manufacturer may sell its products to one or more non-wholesalers or providers at different prices, which, for example, may be reduced as the result of discounts or rebates. Medi-Span generally does not receive a reported DP for drug products that are sold by a manufacturer exclusively through wholesalers, although in some cases both a DP and a WAC may be provided at the manufacturer's discretion.

Wholesaler Acquisition Cost (WAC)

WAC represents the price, as reported to Medi-Span by a manufacturer, at which wholesalers may purchase drug products from that manufacturer. WAC does not necessarily represent the actual sales price in any single transaction, as any manufacturer may agree to sell its products to one or more wholesalers at a lower price with that wholesaler through the inclusion of any number of methods, such as discounts or rebates.

Manufacturer's Suggested Wholesale Price (SWP)

SWP is the manufacturer's suggested wholesale price, as reported to Medi-Span by a manufacturer, for its drugs to be sold by wholesalers to their customers. The manufacturer reports this price to Medi-Span. The SWP does not necessarily represent the actual sale price used by a manufacturer in any specific transaction with its own customers. Wholesalers, based on competitive and market factors, determine the actual price they will use to sell the drug product to their customers.