

Revised February 17, 2004

AWP POLICY

The Average Wholesale Price (AWP) as published by Thomson Healthcare is in most cases the manufacturer's¹ suggested AWP and does not necessarily reflect the *actual* AWP charged by a wholesaler. Thomson Healthcare bases the AWP data it publishes on the following:

- AWP is reported by the manufacturer, **or**
- AWP is calculated based on a markup specified by the manufacturer. This markup is typically based on the Wholesale Acquisition Cost (WAC) or Direct Price (DIRP), as provided by the manufacturer, but may be based on other pricing data provided by the manufacturer.

When the manufacturer does not provide an AWP or markup formula from which AWP can be calculated, the AWP will be calculated by applying a standard 20% markup over the manufacturer supplied WAC. If a WAC is not provided, the standard markup will be applied to the DIRP.

Please note that Thomson Healthcare does not perform any independent analysis to determine or calculate the *actual* AWP paid by providers² to wholesalers. Thomson Healthcare also does not independently investigate the *actual* WAC paid by wholesalers to manufacturers or DIRP paid by providers to manufacturers. Thomson Healthcare relies on the manufacturers to report the values for these categories as described above.

Thomson Healthcare provides a list of the manufacturers that do not provide the AWP or a markup formula. The list of these manufacturers and products is available at <http://www.micromedex.com/products/redbook/awp/>. Additionally, an ASCII text file with this same information is available to download. For more information on this file and instructions on downloading, please contact Thomson Healthcare Technical Support at <http://www.micromedex.com/support/request/>.

Please refer to this AWP Policy as you review the pricing information contained in the Thomson Healthcare products.

¹ The term "manufacturer" includes manufacturers, repackagers and private labelers.

² The term "provider" includes retailers, hospitals, physicians and others buying either from the wholesaler or directly from the manufacturer for distribution to a patient.