



# Understanding Average Sales Price (ASP) and Reimbursement



## What is average sales price (ASP)?

**ASP for a single-source drug** is defined as the weighted average of a product's sales across all purchasing channels (eg, retail, hospitals, and clinics). Volume discounts, prompt-pay discounts, charge-backs, and rebates are all taken into account in the calculation of a product's ASP.

## Why is the ASP important?

Reimbursement for injectable products is generally based on average wholesale price (AWP), wholesale acquisition cost (WAC), or average sales price (ASP), plus or minus a contracted percentage.

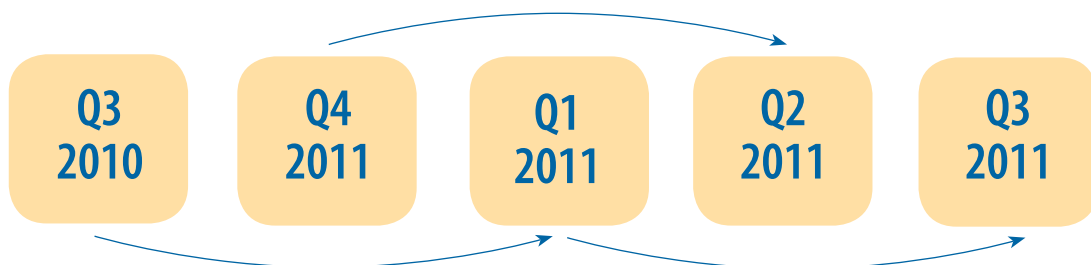
## How does ASP affect my practice?

The **Medicare reimbursement rate** for office-administered Part B drugs, such as viscosupplements, is based on ASP. The allowable Medicare reimbursement rate for physician-office-administered drugs is  $ASP + 6\%$  and is updated quarterly.

## How often does ASP change?

**CMS publishes ASP payment updates quarterly** based on the manufacturers' sales in previous quarters. For example, Q2 2011 ASP-based reimbursement will be reflective of actual Q4 2010 ASP amounts.

Overall, ASP may differ from quarter to quarter, based on the sales, discounts, and rebates offered across purchasing channels.



Manufacturers' sales in Q4 2010 impact what the ASP reimbursement rate will be in Q2 2011.

## How is ASP calculated?

**ASP is calculated differently for single-source drugs than for multisource drugs.** The ASP for single-source drugs reflects the adjusted ASP for the single product in a given HCPCS code. In contrast, the ASP amounts for multisource drugs include the weighted ASPs for all products that share an HCPCS billing code.

- For single-source drugs (ie, drugs that do not share an HCPCS billing code with any other drug):

$$ASP = \frac{ADJUSTED^* \text{ QUARTERLY SALES}}{QUARTERLY UNITS (OF EACH NDC SOLD)}$$

- For multisource drugs (ie, drugs that share an HCPCS billing code):

$$ASP = \frac{ADJUSTED^* \text{ QUARTERLY SALES PRODUCT A} + ADJUSTED \text{ QUARTERLY SALES PRODUCT B}}{QUARTERLY UNITS PRODUCT A (OF EACH NDC SOLD) + QUARTERLY UNITS PRODUCT B (OF EACH NDC SOLD)}$$

\*Subtract rebates and discounts from quarterly sales across a product's NDCs and divide by the total units sold for the quarter.

The ASP for Synvisc-One® (hylan G-F 20) and SYNVISIC® (hylan G-F 20) is calculated using the multisource equation.

## How are Synvisc-One and SYNVISIC reimbursed?

**Synvisc-One and SYNVISIC are reimbursed using a blended, multiple-source ASP formula.** This means that the ASP-based allowable per HCPCS billing code J7325 for Synvisc-One and SYNVISIC will depend on both products' ASP amounts, as well as on the number of units of each NDC sold during the quarter.

Specifically, to calculate a blended payment, CMS totals the weighted average of ASPs for Synvisc-One and SYNVISIC and divides by the total number of units sold, standardizing these amounts to yield an ASP payment per HCPCS billing unit.

For more information, please visit [www.SynviscOne.com/reimbursement](http://www.SynviscOne.com/reimbursement).

Please see the accompanying SYNVISIC and Synvisc-One full Prescribing Information.



# Indication and Important Safety Information

## Indication

SYNVISC® (hylan G-F 20) and Synvisc-One® (hylan G-F 20) are indicated for the treatment of pain in osteoarthritis (OA) of the knee in patients who have failed to respond adequately to conservative nonpharmacologic therapy and simple analgesics, eg, acetaminophen.

## Important Safety Information

SYNVISC and Synvisc-One are contraindicated in patients with known hypersensitivity to hyaluronan products or patients with infections in or around the target knee. Do not inject SYNVISC or Synvisc-One extraarticularly, into the synovial tissues, into the fat pad or joint capsule, or intravascularly. The safety and efficacy of Synvisc-One in locations other than the knee, or for conditions other than osteoarthritis, or in combination with other intraarticular injectables have not been established. Use caution when injecting SYNVISC or Synvisc-One in patients allergic to avian proteins, feathers, or egg products; who have evidence of lymphatic or venous stasis in the leg to be treated; or who have severe inflammation in the knee to be treated. Remove any synovial fluid or effusion before injecting SYNVISC or Synvisc-One. Strict adherence to aseptic technique must be followed to avoid joint infection. The safety and effectiveness of SYNVISC and Synvisc-One have not been established in children or in pregnant or lactating women. Patients should be advised to avoid strenuous or prolonged weight-bearing activities for approximately 48 hours after treatment.

### For SYNVISC

In clinical trials, the most commonly reported adverse events were transient local pain, swelling, and/or effusion in the injected knee. In some cases, these symptoms have been extensive. Allergic reactions such as rash and hives have been reported rarely.

### For Synvisc-One

The most commonly reported related local adverse events were transient, mild to moderate arthralgia, arthritis, arthropathy, injection site pain, and joint effusion. No serious adverse events have been reported in knees injected with Synvisc-One in the pivotal trial. Serious local side effects have been reported only rarely during post-marketing use. Repeat treatment did not affect the safety profile. In the pivotal clinical trial, there was one related systemic event of syncope. The most common systemic side effects irrespective of relationship to Synvisc-One were headache, back pain, nasopharyngitis, and influenza. Systemic adverse event profiles were similar between patients in the Synvisc-One and Saline Control groups.

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