

Pricing strategies

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Pricing Strategies of Case Study, Health sciences and medicine Pricing

Strategies There can be a number of pricing strategies that a pharmaceutical benefit manager can use to cut down the rising costs of health care products and services provided by the employers and also improving the quality of care for patients.

Utilization Management Strategy

It is observed that an employer has the potential ability to save thousands of dollars just by eliminating the inappropriate and unnecessary prescriptions filed by their employees. Consider that an organization has 5, 000 employees. The average prescriptions filled by each employee are 8 and the cost per prescription is approximately \$5, it means that the employer can save $(8 \times 5 = 40$ each year, $40 \times 5,000 = \$200,000$ by all the 5, 000 employees) \$50, 000 per year in case two of each prescription is inappropriate $(200,000 - 50,000 = 150,000)$. This strategy will help employers save money and also improve the outcomes of patients as the quality of prescriptions will get better.

Targeted Disease Intervention Strategy

This sort of strategy helps to cut the costs by providing the patients with the medication they require and not the prescription drugs, which will help the organizations efficiently utilizing the prescription drugs. This strategy will be undertaken by the help of the pharmacy claims that will pinpoint the high costs specified by the sponsors, diseases such as high cholesterol, cardiac diseases and asthma must be treated and medicated with the specific medication that will help the employers to slash the cost. These pharmacy claims will then be used for the identification of different patients and the medication they require. This strategy will also help in providing awareness

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and education to medical doctors in helping them improve the behavior related to their prescriptions that will result in better health care outcomes, as it will help the patients live an improved life as their needless health care costs are cut down, and better treatments are provided to them in accordance with their diagnosis.

Generic Sampling Strategy

The use of the first line agents is essential in this program so that the awareness is spread about the use of “ first line drug therapy” and offering samples to the prescription providers. The easy accessibility should be made possible by placing the first line agents at the pharmacies, so that the users should come to know about these agents and they can utilize these instead of branded medicines that are too expensive. It will help cut the cost of pharmacy but also it provides with the potential improvements in quality of care. This program has been followed by several organizations, and it made them cut their costs by \$0. 20 per person.

It is essential that any of the strategies applied should be well maintained to get the maximum out it, and if not then proper assessments should be made and improvement must be noted.

As being a pharmaceutical benefits manager, I would recommend using the Utilization Management Strategy as it is easy to implement, and it takes minute changes in the overall working of the pharmaceutical organization. It deals with the small changes that would cut the costs by large amounts and also the diagnosis will be improved for the future. It will also be beneficial for the patients as they will get the correct prescriptions according to their needs, and they can get a reduction in their health and care costs as well (Jones, 2003).

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Reference

Jones, J. D. (2003). Developing an effective generic prescription drug. *Benefits Quarterly*, 19 (1), 14-18.