AWP Policy

The Average Wholesale Price (AWP), as published by Micromedex® RED BOOK® is, in most cases, the manufacturer's[1] suggested AWP and does not reflect the actual AWP charged by a wholesaler. Merative 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, **or**

→ Suggested Wholesale Price (SWP) is reported by the manufacturer.

When the manufacturer does not provide an AWP, an SWP, or a markup formula from which AWP can be calculated, Merative will calculate the AWP 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.

When the manufacturer supplies an SWP, the Merative AWP for that product will be the manufacturer's reported SWP, even if the manufacturer supplies a WAC, DIRP, or both. Consequently, the published AWP may be greater than a 20% markup over the manufacturer-supplied WAC or DIRP.

Please note that Merative does not perform any independent analysis to determine or calculate the actual AWP paid by providers[2] to wholesalers. Merative also does not independently investigate the actual WAC paid by wholesalers to manufacturers or DIRP paid by providers to manufacturers. Merative relies on the manufacturers to report the values for these categories as described above.

Merative provides a list of the manufacturers that do not provide AWP or a markup formula. 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 Merative Technical Support at https://www.merative.com/support/micromedex-product-support-details

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

1. The term "manufacturer" includes manufacturers, distributors, 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.

About Merative

Merative provides data and software for healthcare and government social services. With focused innovation and deep expertise, Merative works with providers, employers, health plans, governments, and life science companies to drive real progress. Merative helps clients orient information and insights around the people they serve to improve decision-making and performance. Merative, formerly IBM Watson Health, became a new standalone company as part of Francisco Partners in 2022. Learn more at merative.com.

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