# *Prescription* DRUG PRICES

**The path of a prescription drug from the manufacturer to the patient is a long and winding road with many stopping points along the way.** The number of middlemen between the manufacturer and the patient complicates the pricing structure. Adding to the complexity are rebates, discounts, and other forms of compensation that are provided between middlemen.

>>> FLOW CHART KEY<<<

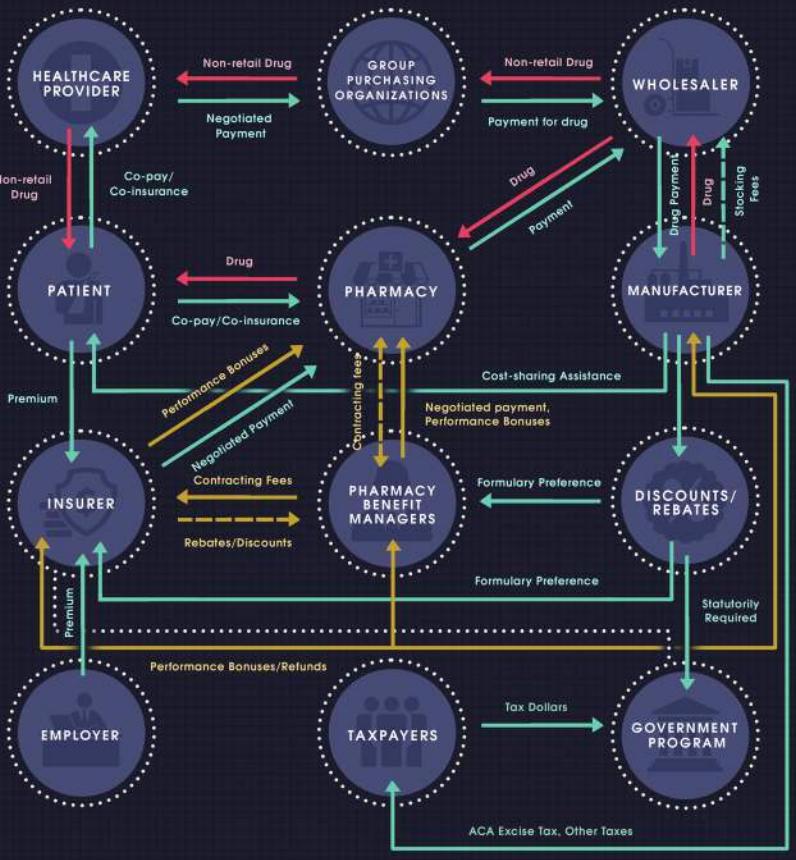
## RX DRUG FLOW CHART

Flow of Rx Drugs

Customary Fees and Payments

Potential DIR* Payments

*Direct and indirect remuneration (DIR) are sale discounts after final sale




The lack of price transparency makes it difficult to know where all the money is going, who is benefiting from these price discounts, and who is impacted by the fees. Policymakers should seek additional data to more fully understand the extent of the payments and how they should be used to provide the greatest benefit to patients and taxpayers.