

DRUG PRICE SKYROCKETS

Cause Map

Price of Daraprim jumped ~5,000%

The cost of prescription drugs have been in the news the last several years as the United States struggles to deal with rising health care costs, but few stories have come close to generating as much outrage as the recent massive price increase of Daraprim. As new specialty drugs hit the market, they are often expensive as drug companies recoup the costs of development while the drug is covered by patents, which may be frustrating but is understandable. That is not what happened in the case of Daraprim, a lifesaving drug used as an antimalarial drug and to treat toxoplasmosis. The medication has been around since the 1950s and isn't covered by any patents.

1 Problem

What	Problem(s)	Price of lifesaving medication skyrocketed
When	Date	September 1, 2015
	Different, unusual, unique	Single-source supplier, no unexpired patents on medication
Where	Facility, site	Turing Pharmaceuticals
	Task being performed	Selling Daraprim
Impact to the Goals	Patient Safety	Patients may not get required medication
	Customer service	Extremely negative publicity
	Compliance	Senate opened investigation into drug pricing
	Patient Services	Large increase in price of necessary medication

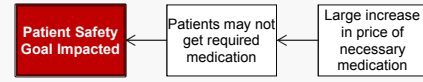
2 Analysis

More Detailed Cause Map - Add detail as information becomes available.

Basic Level Cause Map - Start with simple Why questions.

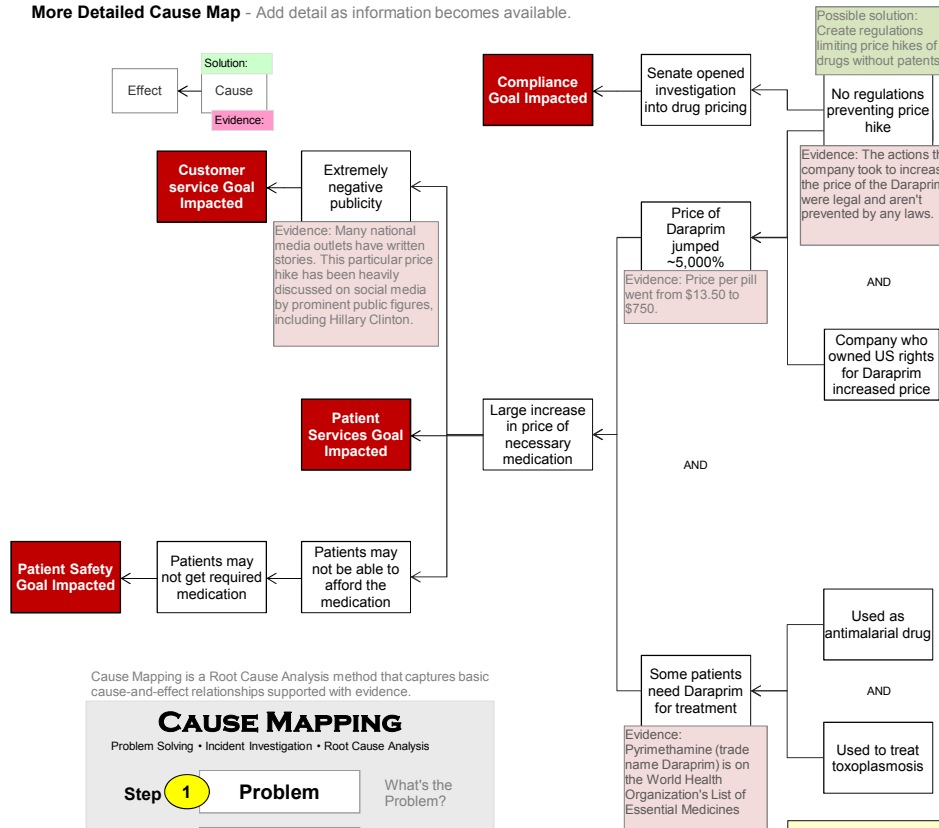
Basic Cause-and-Effect

A new company bought the only company with regulatory approval to sell the drug in the United States and significantly raised the price. Basically, there is demand for the drug and the company which has a monopoly on the supply in the US and took advantage of it by increasing the price per pill from \$13.50 to about \$750.



"While we respect Turing's right to charge patients and insurance companies whatever it believes is appropriate, there may be more cost-effective compounded options for medications, such as Daraprim, for patients, physicians, insurance companies and pharmacy benefit managers to consider."

- statement by Imprimis Pharmaceuticals

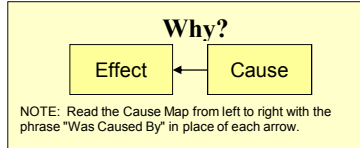


Cause Mapping is a Root Cause Analysis method that captures basic cause-and-effect relationships supported with evidence.

CAUSE MAPPING

Problem Solving • Incident Investigation • Root Cause Analysis

- Step 1 Problem** - What's the Problem?
- Step 2 Analysis** - Why did it happen?
- Step 3 Solutions** - What will be done?



For a free copy of our Root Cause Analysis Template in Microsoft Excel, used to create this page, visit our web site.



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