

To: Green Mountain Care Board
From Susan Barrett, Executive Director
Re: Act 165 Drug List
Date: August 10, 2017

Background:

Act 165 of 2016, *see* Appendix A, requires that the Green Mountain Care Board (GMCB), in collaboration with the Department of Vermont Health Access (DVHA):

[i]dentify annually up to 15 prescription drugs on which the State spends significant health care dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months, creating a substantial public interest in understanding the development of the drugs' pricing.

18 V.S.A. § 4635(b).

Once identified, the GMCB must provide a list of the drugs, including the percentage of wholesale acquisition cost increase for each, to the Office of the Attorney General, and make the information available to the public on the GMCB website. *Id.*

Methodology used for selection of drug list for Act 165 of 2016:

The GMCB asked Nancy Hogue, BS, Pharm. D., Director of Pharmacy Services for DVHA, to provide data on drugs that meet the criteria set forth in Act 165. Nancy requested data from DVHA's Pharmacy Benefits Manager (PBM) and produced a final list of drugs based on the following criteria:

- 1) Drugs for which the wholesale acquisition cost (WAC) increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months. This was measured by comparing the Wholesale Acquisition Cost of each drug at the end of each fiscal year evaluated.
- 2) The five-year query compared the WAC on the last day of SFY2013 to the WAC on June 20, 2017 (almost the end of SFY2017). Drugs that had an increase in WAC of at least 50% were used.
- 3) The one-year query compared the WAC on the last day of SFY2016 to the WAC on June 20, 2017. Drugs that had an increase in WAC of at least 15% were used.

4) This query resulted in the following totals:

Category	Total # NDC's Evaluate	# of NDCs Exceeded Threshold	% of Total
WAC >= 50% last 5 Yr	76095	6490	8.53%
WAC >= 15% last 1Yr	85214	1876	2.20%

5) The legislation also requests the list represent drugs on which the State spends significant health care dollars. Therefore, once the drug list was created, the total Medicaid paid amount for each drug that had utilization during SFY 2017 through June 20, 2017 was provided. In order to accurately reflect the amount that DVHA spends on drugs, each drug was ranked by its net cost to DVHA and drugs that had a high net cost were preferentially selected.

6) Once the initial drug list was finalized, the list was further refined to assure that both brands and generics and different therapeutic classes were represented.

A final list of 10 drugs was created and appears below:

Ranking	PRODUCT_NAME	LABELER_NAME	BG_IN D	AVG_PERC ENT_INCR EASE	TOTAL_QU ANTITY	TOTAL_AMOU NT_PAID	List appeared on
1	VYVANSE	SHIREUS,INC.	B	58.60%	639,728	\$5,473,510.83	5
2	METHYLPHENIDATE HCL ER	WATSON PHARMA, INC.	G	50.14%	615,342	\$4,466,606.97	5
				18.50%			1
3	HUMIRA PEN	ABBVIE INC	B	102.80%	2,806	\$4,978,270.95	5
4	LYRICA	PFIZER, INC	B	105.79%	724,390	\$3,541,871.94	5
				19.77%			1
5	FOCALIN XR	NOVARTIS	B	80.32%	252,509	\$2,846,464.99	5
				15.40%			1
6	ENBRELEURECLICK	AMGEN/IMMUNEX	B	87.95%	2,916	\$2,417,969.47	5
				19.13%			1
7	NOVOLOG FLEXPEN	NOVO NORDISK, INC.	B	94.50%	95,305	\$2,409,488.27	5
				16.43%			1
8	LATUDA	SUNOVION PHARMACEUTICALS, INC	B	95.30%	57,035	\$1,754,771.27	5
				20.76%			1
9	EPIPEN 2-PAK	MYLAN SPECIALTY P.	B	152.89%	4,171	\$1,193,858.28	5
10	NOVOLOG	NOVO NORDISK, INC.	B	94.52%	69,900	\$1,583,541.29	5
				16.43%			1

Appendix A:

Pertinent language from Act 165:

(b)(1) The Green Mountain Care Board, in collaboration with the Department of Vermont Health Access, shall identify annually up to 15 prescription drugs on which the State spends significant health care dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months, creating a substantial public interest in understanding the development of the drugs' pricing. The drugs identified shall represent different drug classes.

(2) The Board shall provide to the Office of the Attorney General the list of prescription drugs developed pursuant to this subsection and the percentage of the wholesale acquisition cost increase for each drug and shall make the information available to the public on the Board's website.

(c)(1) For each prescription drug identified pursuant to subsection (b) of this section, the Office of the Attorney General shall require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the Attorney General determines to be understandable and appropriate. The manufacturer shall submit to the Office of the Attorney General all relevant information and supporting documentation necessary to justify the manufacturer's wholesale acquisition cost increase, which may include:

(A) all factors that have contributed to the wholesale acquisition cost increase;

(B) the percentage of the total wholesale acquisition cost increase attributable to each factor; and

(C) an explanation of the role of each factor in contributing to the wholesale acquisition cost increase.

(2) Nothing in this section shall be construed to restrict the legal ability of a prescription drug manufacturer to change prices to the extent permitted under federal law.

(d) The Attorney General, in consultation with the Department of Vermont Health Access, shall provide a report to the General Assembly on or before December 1 of each year based on the information received from manufacturers pursuant to this section. The Attorney General shall also post the report on the Office of the Attorney General's website.

(e) Information provided to the Office of the Attorney General pursuant to this section is exempt from public inspection and copying under the Public Records Act and shall not be released in a manner that allows for the identification of an individual drug or manufacturer or that is likely to compromise the financial, competitive, or proprietary nature of the information.

Appendix B:

Category	Total # of NDC's Evaluated	# of NDC's Exceeded Threshold	% of Total	Number of generic NDCs exceeding threshold	Generic % of total NDCs exceeding threshold
WAC \geq 50% last 5 Yr	76,095	6,490	8.53%	3,764	58.00%
WAC $>$ 15% last 1 Yr	85,214	1,876	2.20%	629	33.53%