

18 V.S.A. § 4635- Pricing Transparency Drug List-DVHA Methodology

Date: June 1, 2023

Vermont law [18 V.S.A. § 4635](#), entitled “Prescription Drug Cost Transparency” requires the Department of Vermont Health Access (“DVHA”) to create two lists of 10 prescription drugs each per the following statutory language:

(b)(1)(A) The Department of Vermont Health Access shall create annually a list of 10 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 during the previous calendar year, creating a substantial public interest in understanding the development of the drugs' pricing. The list shall include at least one generic and one brand-name drug and shall indicate each of the drugs on the list that the Department considers to be specialty drugs. The Department shall include the percentage of the wholesale acquisition cost increase for each drug on the list; rank the drugs on the list from those with the largest increase in wholesale acquisition cost to those with the smallest increase; indicate whether each drug was included on the list based on its cost increase over the past five years or during the previous calendar year, or both; and provide the Department's total expenditure for each drug on the list during the most recent calendar year.

(B) The Department of Vermont Health Access shall create annually a list of 10 prescription drugs on which the State spends significant health care dollars and for which the cost to the Department of Vermont Health Access, net of rebates and other price concessions, has increased by 50 percent or more over the past five years or by 15 percent or more during the previous calendar year, creating a substantial public interest in understanding the development of the drugs' pricing. The list shall include at least one generic and one brand-name drug and shall indicate each of the drugs on the list that the Department considers to be specialty drugs. The Department shall rank the drugs on the list from those with the greatest increase in net cost to those with the smallest increase and indicate whether each drug was included on the list based on its cost increase over the past five years or during the previous calendar year, or both.

DVHA's Pharmacy Unit prepared data on drugs that meet the criteria per the following methodology.

Methodology used for selection of drug list for 18 V.S.A. § 4635:

To be consistent with other payers and allow the Attorney General's office to maximize comparisons of the list among payers, DVHA developed the list based on the one-year increase in wholesale acquisition cost (WAC) and net cost. The data was supplied by DVHA's Pharmacy Benefits Manager (PBM), Change Healthcare, based on criteria supplied by DVHA with a list of active drugs that exceeded a 15% increase in gross and net cost to DVHA over the previous calendar year. The final list of the top 10 drugs in each category was derived by reviewing these lists in detail, taking into consideration the previous year's lists, brand, generic, specialty status, and total spend. Net spend was also considered when generating the ranking of the drugs in the "net cost" list.

10 PRESCRIPTION DRUGS WHOLESAL ACQUISITION COST INCREASE (Chart 1)

This list contains drugs for which the wholesale acquisition cost (WAC) increased by 15 percent or more in calendar year 2022. The WAC unit price for all drugs with utilization was pulled as of December 31st calendar year 2022. The data was averaged and grouped at the product name level and then broken down to include ten drugs, considering total gross cost to DVHA and % increase.

TOP 10 BASED ON WAC INCREASE-2022 (Chart 1)									
Therapeutic Category	PRODUCT NAME	GENERIC NAME	LABELER NAME	Brand or Generic (B/G)	Rank by Highest % increase	PERCENT INCREASE(AVG)	GROSS AMOUNT PAID	Specialty	Drug Appeared on Previous Year List
Corticosteroids	EMFLAZA	Deflazacort Tab	PTC THERAPEUTICS, INC.	B	10	19%	\$ 230,224	YES	NO
Stimulant/ADHD	AMPHETAMINE/DEXTROAMPHET	Amphetamine-Dextroamphetamine	AMNEAL PHARM. OF NEW YORK	G	4	55%	\$ 56,775	NO	NO
Laxative	GAVILAX	Polyethylene Glycol 3350	LUPIN PHARM., INC.	G	5	50%	\$ 30,737	NO	NO
Salicylate	ASPIRIN LOW DOSE	Aspirin	MAJOR PHARM.	G	8	25%	\$ 15,355	NO	NO
Vitamin	AQUEOUS VITAMIN D INFANTS	Cholecalciferol	LANNETT COMPANY, INC.	G	2	104%	\$ 13,727	NO	NO
Corticosteroids	PREDNISOLONE SODIUM PHOSP	Prednisolone Sol 15MG/5ML	PAI	G	7	31%	\$ 11,602	NO	YES (diff mfr)
Opioid/pain	ACETAMINOPHEN/CODEINE	Acetaminophen w/ Codeine Tab	SPEC GX, LLC	G	3	100%	\$ 7,197	NO	NO
Antihistamine	BANOPHEN	Diphenhydramine	MAJOR PHARM.	G	9	25%	\$ 3,669	NO	NO
Laxative	GAVILYTE-G	PEG 3350-KCl-Sod Bicarab-Sod Chl-Sod Sulf	LUPIN PHARM., INC.	G	6	50%	\$ 10,337	NO	NO
Sedative	TEMAZEPAM	Temazepam Cap	AMNEAL PHARM LLC	G	1	112%	\$ 1,369	NO	NO

TOP 10-NET AMOUNT PAID (Chart 2)

This list contains drugs for which the net cost to DVHA increased by 15 percent or more in calendar year 2022. DVHA net cost was calculated as wholesale acquisition cost minus manufacturer federal rebates. The total net cost for each NDC was divided by the total quantity (ex. tablets or capsules) of the drug reimbursed by DVHA for that NDC to obtain the Net Unit Cost for each drug. This list is NDC-based. In cases where multiple NDCs of the same drug appeared on the list the total gross spend was combined and the percent increase averaged. The data was pulled by calendar year and ranked based on highest to lowest net paid amount for each drug.

TOP 10 NET AMOUNT PAID-CY 2022(Chart 2)										
Therapeutic Category	PRODUCT NAME	GENERIC NAME	LABELER NAME	Brand or Generic (B/G)	Rank by Net Amount Paid 1= Highest Net Spend	AVERAGE PERCENT INCREASE (Over One Year)	GROSS AMOUNT PAID*	Specialty (YES/NO)	Appeared on Previous Year List (YES/NO)	Appeared on this year's GROSS (WAC) COST LIST
Antipsoriatics	STELARA	Ustekinumab	JANSSEN BIOTECH, INC	B	1	27%	\$ 5,824,224	YES	YES	NO
Hormone related	LUPRON DEPOT-PED	Acetate (3 Month) Inj Pediatric	ABBVIE INC	B	2	19%	\$ 862,028	NO	NO	NO
Antiasthma - Monoclonal	XOLAIR	Omalizumab	GENENTECH, INC.	B	3	19%	\$ 560,541	YES	YES	NO
Insulin	HUMALOG KWIK INJ 200/ML	Insulin Lispro	ELI LILLY AND COMPANY	B	4	24%	\$ 564,722	NO	YES	NO
Anticonvulsants	VIMPAT	Lacosamide	UCB, INC.	B	5	23%	\$ 355,402	NO	NO	NO
Multiple Sclerosis Agents	COPAXONE INJ 40MG/ML	Glatiramer Acetate	TEVA NEUROSCIENCE, INC.	B	7	35%	\$ 292,892	YES	NO	NO
Anticonvulsants	TOPIRAMATE ER	Topiramate	UPSHER-SMITH LAB., LLC.	G	6	127%	\$ 74,082	NO	NO	NO
Inflammatory Bowel Agents	CIMZIA	Certolizumab Pegol	UCB, INC.	B	8	127%	\$ 187,774	YES	NO	NO
Contraceptives IUD	MIRENA	Levonorgestrel (IUD)	BAYER HEALTHCARE PHARM, INC	B	9	19%	\$ 59,103	YES	NO	NO
Hypnotics - Tricyclic Agents	DOXEPIN HYDROCHLORIDE	Doxepin HCl (Sleep)	CURRAX PHARM., LLC.	G	10	41%	\$ 8,970	NO	NO	NO

*DVHA is prohibited from publishing drug-specific net cost information. The gross cost to DVHA for each drug listed is provided as a benchmark. This will not align in rank order with the net cost of the drug to the State.

Both drug lists were further refined to assure that at least one generic and one brand appeared on each list, and specialty drugs were identified. Specialty drugs were defined as per DVHA’s posted list of specialty drugs on the DVHA website at: [DVHA Specialty Drug List](#). Since DVHA is prohibited from publishing drug-specific net cost information, the gross cost to DVHA for each drug listed is provided as a benchmark. This may not align in rank order with the net cost of the drug to the State.

A summary of the drug NDCs analyzed appears in this Chart #3:

CHART #3

2022 GROSS									
Category	Total # NDC's Evaluated	# of NDCs Exceeded Threshold	% of Total	Number of generic NDCs exceeding threshold	Generic % of total NDCs exceeding threshold	Avg % increase Generic	Avg % increase Brand	Avg \$ Inc Generic	Avg \$ Increase Brand
WAC >= 15% last 1Yr	13,946	195	1.40%	153	78.46%	42.10%	24.91%	\$0.27	\$12.79

DRUG PRICE TRENDS

- Chart #4 below is a summary of the last three years of data on WAC price increases. The NDCs included in this comparison only include NDCs for which DVHA had utilization. Compared to 2020 and 2021 there has been an increase in the total number of drugs reaching the 15% increase per year threshold.
- Compared to 2020 and 2021, there is an increase in the number of generic drug NDC's exceeding the threshold. In 2020 there were 109 generic drugs exceeding the threshold and in 2021 there were only 56 generic drugs exceeding the threshold. Compared to 153 in 2022 which is evident in chart 1 where 9 out of 10 drugs on the list are generic drugs.
- Again, this year, generic drug prices consistently rose at a higher rate than brand drugs. In 2022 the average increase for generic 42% vs average increase brands were 25 %.

CHART #4

2020 GROSS									
Category	Total # NDC's Evaluated	# of NDCs Exceeded Threshold	% of Total	Number of generic NDCs exceeding threshold	Generic % of total NDCs exceeding threshold	Avg % increase Generic	Avg % increase Brand	Avg \$ Inc Generic	Avg \$ Increase Brand
WAC>= 15% last 1Yr	13,066	122	0.93%	109	89.34%	131.52%	20.51%	\$0.43	\$36.45
2021 GROSS									
Category	Total # NDC's Evaluated	# of NDCs Exceeded Threshold	% of Total	Number of generic NDCs exceeding threshold	Generic % of total NDCs exceeding threshold	Avg % increase Generic	Avg % increase Brand	Avg \$ Inc Generic	Avg \$ Increase Brand
WAC>= 15% last 1Yr	13,323	99	0.74%	56	56.57%	110.67%	26.69%	\$0.20	\$7.09
2022 GROSS									
Category	Total # NDC's Evaluated	# of NDCs Exceeded Threshold	% of Total	Number of generic NDCs exceeding threshold	Generic % of total NDCs exceeding threshold	Avg % increase Generic	Avg % increase Brand	Avg \$ Inc Generic	Avg \$ Increase Brand
WAC>= 15% last 1Yr	13,946	195	1.40%	153	78.46%	42.10%	24.91%	\$0.27	\$12.79