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

Date: June 1, 2024

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 prescription drugs. Each list is to be developed using 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 each list based on the one-year increase in wholesale acquisition cost (WAC) and net cost. The data was initially supplied by DVHA's pharmacy benefits administrator (PBA), Change Healthcare/OptumRx, based on criteria provided by DVHA. This initial data contained 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 chart was derived by reviewing these lists in detail, taking into consideration the previous year's lists and each drug's brand, generic, specialty status, and total spend. Net spend was also considered when generating the ranking of the drugs in Chart 2: Top 10 Prescription Drugs Based on Net Cost Increase.

Chart 1 contains drugs for which the wholesale acquisition cost (WAC) increased by 15 percent or more from CY2022-CY2023. The WAC unit price for all drugs with utilization was pulled as of December 31, 2023. 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.

### Chart 1: Top 10 Prescription Drugs Based on Wholesale Acquisition Cost Increase

\*Indicates non-drug products that are covered and paid under the pharmacy benefit, with substantial costs to DVHA.

TOP 10 BASED ON WAC INCREASE- CY2023									
Rank by Highest % Increase	Therapeutic Category	Product Name	Generic Name	LABELER_NAME	BG	Specialty Drug	Percent Increase (Average Over One Year)	Gross Amount Paid	Drug Appeared on Previous Year's List
1	Stimulant/ADHD	AMPHETAMINE/ DEXTROAMPHETAMINE	Amphetamine/ Dextroamphetamine	LANNETT COMPANY, INC.	G	No	129%	\$813,996	Yes (Diff MFR)
2	Mast Cell Stabilizer	CROMOLYN SODIUM	Cromolyn Sodium	RISING PHARMACEUTICALS, INC	G	No	100%	\$135,107	No
3	Mood Stabilizer	LITHIUM CARBONATE	Lithium Carbonate	HIKMA PHARMACEUTICALS USA INC.	G	No	77%	\$87,130	No
4	Sympathomimetics- Inhaled	ALBUTEROL SULFATE	Albuterol Sulfate	NEPHRON PHARMACEUTICALS CORPORATION	G	No	50%	\$91,692	No
5	Anticonvulsants	VALPROIC ACID	Valproic Acid	PAI	G	No	50%	\$46,252	No
6	Opioid/Pain	ACETAMINOPHEN/ CODEINE	Acetaminophen/ Codeine	SPEC GX, LLC	G	No	46%	\$54,394	No
7	Corticosteroids	EMFLAZA	Deflazacort Tablet	PTC THERAPEUTICS, INC.	B	Yes	30%	\$4,060,873	Yes
8	Nutritional	ENSURE PLUS*	Ensure Plus*	4e Brands Northamerica LLC	B	No	25%	\$124,938	No
9	Corticosteroids - Inhaled	FLUTICASONE PROPIONATE	Fluticasone Propionate HFA	HIKMA PHARMACEUTICALS USA INC.	G	No	24%	\$869,757	No
10	Iron Supplements	FEROSUL	Ferrous Sulfate	MAJOR PHARMACEUTICALS	B	No	21%	\$215,645	No

Chart 2 contains drugs for which the net cost to DVHA increased by 15 percent or more from CY2022-CY2023. The net cost was calculated as the paid amounts for each drug minus all applicable rebate amounts. The total net cost for each drug was divided by the total quantity (e.g. tablets or capsules) of the drug reimbursed by DVHA to obtain the Net Unit Cost. This list is based on individual NDC codes, the reported prices for each product name are averaged to calculate the average net unit price

for each product name. The data was pulled by calendar year and ranked based on highest to lowest net paid amount for each drug and percent increase in net cost.

**Chart 2: Top 10 Prescription Drugs Based on Net Cost Increase**

TOP 10 BASED ON NET INCREASE- CY2023									
Rank by Highest % Increase	Therapeutic Category	Product Name	Generic Name	LABELER_NAME	BG	Specialty Drug	Percent Increase (Average Over One Year)	Gross Amount Paid	Drug Appeared on Previous Year's List
1	Corticosteroids	PREDNISOLONE	Prednisolone	CHARTWELL RX LLC	G	No	1057%	\$161,006	No
2	Sympathomimetics-Inhaled	LEVALBUTEROL	Levalbuterol HCL	TEVA PHARMACEUTICALS USA, INC.	G	No	867%	\$15,318	No
3	Ulcer Therapy Combinations	LANSOPRAZOLE/ AMOXICILLIN/ CLARITHROMYCIN	Lansoprazole/ Amoxicillin/ Clarithromycin	RISING HEALTH, LLC.	G	No	273%	\$118,748	No
4	Antidepressants	PAROXETINE	Paroxetine Hydrochloride	ANI PHARMACEUTICALS, INC.	G	No	108%	\$72,008	No
5	Opioid/Pain	FENTANYL	Fentanyl	MYLAN PHARMACEUTICALS, INC.	G	No	55%	\$229,571	No
6	Chelating Agents	DEFERASIROX	Deferasirox	CAMBER PHARMACEUTICALS, INC.	G	Yes	36%	\$47,524	No
7	Opioid Partial Agonists	ZUBSOLV	Buprenorphine/Na loxone	OREXO US, INC.	B	No	22%	\$1,917,056	No
8	Dopamine and Norepinephrine Reuptake Inhibitors	SUNOSI	Solriamfetol	Axsome Therapeutics, Inc.	B	No	19%	\$334,925	No
9	Anticonvulsants	DIVALPROEX SODIUM	Divalproex Sodium	AJANTA PHARMA LIMITED	G	No	16%	\$153,621	No
10	Anticonvulsants	DIAZEPAM RECTAL GEL	Diazepam Rectal Gel	OCEANSIDE PHARMACEUTICALS	G	No	16%	\$576,795	No

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 pursuant to DVHA's posted list of specialty drugs 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.

### **Drug Price Trends**

- Chart 3 provides a historical summary of the last three years of data on WAC price increases. DVHA only included NDCs in this chart for which there was any degree of utilization among the covered population. Compared to 2022, there has been a decrease in the percentage of drugs reaching the 15% WAC increase for 2023.
- During 2023, there was an increase in the percentage of generic drugs exceeding the 15% WAC threshold. In 2022 the list was comprised of 78% generic NDCs and in 2023 this percentage increased to 80% of generic NDCs exceeding the 15% WAC threshold. The majority of drugs reported in Charts 1 and 2 were generic formulations.
- As seen in previous years, the generic drug prices in 2023 consistently rose at a higher rate than brand drugs. In 2023 the average increase for generic NDCs was 60% and 28% for brand NDCs.

**Chart 3: Historical Summary of Wholesale Acquisition Cost Changes**

<b>2021 GROSS</b>									
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
<b>2022 GROSS</b>									
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
<b>2023 GROSS</b>									
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	14,276	157	1.10%	126	80.25%	60.49%	27.50%	\$0.37	\$10.22