State of Utah

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Utah Drug Transparency Report
April 2022

The *Utah Drug Transparency Report – April 2022* was prepared by Jeffrey E. Hawley, Ph.D. and Heather Sandberg, B.S. of the Health & Life Insurance Division for the Utah Insurance Commissioner pursuant to Utah Code § 31A-48-103. Publication date: May 25, 2022.

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Overview

As required by Utah Code § 31A-48-103(1), drug manufacturers that are manufacturing a drug available for purchase by Utah residents with a wholesale acquisition cost (WAC) of at least $100 or more for a 30-day supply are required to submit to the Utah Insurance Department (Department) the information described in § 31A-48-103(1)(b) when an increase in the wholesale acquisition cost of the drug is 1) greater than 16 percent over the preceding two calendar years, or 2) greater than 10 percent over the preceding calendar year.

The information provided to the Department may not be released in a manner that: 1) would allow for the identification of an individual drug, therapeutic class of drugs, or manufacturer, or 2) is likely to compromise the financial, competitive, or proprietary nature of the information (see § 31A-48-103(1)(f)).

The Department received 27 drug product reports during April 2022 that were in compliance with § 31A-48-103(1)(a). This report summarizes the following information received by drug manufacturers:

1) The effective date of the increase in the WAC price of the drug product,
2) The drug type (brand name drug or generic drug),
3) The manufacturer's aggregate company-wide research and development costs for the most recent year for which final audit data is available, and
4) A written description, suitable for public release, of the factors that led to the increase in the WAC price of the drug product and the significance of each factor.

The information has been de-identified to protect the identity of the individual drug, the therapeutic class of the drug, and the drug manufacturer as required by § 31A-48-103(1)(f).

List of Manufacturer Drug Product WAC Price Increase Reports by Effective Date

Effective Date	*Drug Type*	*Company-Wide Research & Development Costs*
1/5/2022	Brand	$189,000,000

Factors that led to the increase in the WAC price

<Drug manufacturer> takes into account a number of factors when considering price increases, including overhead, supply chain changes, storage of product, changes to market access to ensure patients can get relief and market pricing trends.

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Effective Date	*Drug Type*	*Company-Wide Research & Development Costs*
1/7/2022	Generic	$0

Factors that led to the increase in the WAC price

Cost increases related to the production of <drug product>, <national drug code> have been factored into the WAC increase.

Effective Date	*Drug Type*	*Company-Wide Research & Development Costs*
3/3/2022	Brand	$5,330,028

Factors that led to the increase in the WAC price

<Drug manufacturer> pricing reset includes both multifaceted financial and non-financial rational: inherited business challenges which originated with the prior NDA holders, ability to meaningfully increase patient access to <drug product>, evolving <drug product> market dynamics and substantial investments in <drug product> research initiatives

Effective Date	*Drug Type*	*Company-Wide Research & Development Costs*
3/31/2022	Brand	$1,228,672,000

Factors that led to the increase in the WAC price

<Drug manufacturer> considers the clinical benefit this medicine brings to patients in disease areas with a high unmet need, the size of the patient population we hope to treat, the innovation of <drug product> and the ability of healthcare systems to provide broad access for patients.

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Effective Date	*Drug Type*	*Company-Wide Research & Development Costs*
4/1/2022	Brand	$13,829,000,000

Factors that led to the increase in the WAC price

After a medicine is approved for use by patients, our work doesn't end. There are a number of reasons that the price of medicines can change over time. These may include, among others: discovery of new uses and new patient populations through both trial data and real world evidence; new or expiring patents; improvements in the manufacturing and supply chain; new formulations; market-based factors; and changes in local laws and mandates. We continue to invest in a medicine through its entire lifecycle – monitoring for safety, analyzing real-world data, and often undertaking additional research and development. Our commitment and responsibility to quality and supply also continues after a medicine is available in a generic form.

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