



State of Utah

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Utah Drug Transparency Report December 2022

The *Utah Drug Transparency Report – December 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: January 20, 2023.

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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 6 drug product reports during December 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

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/15/2022	Brand	\$50,724,411

Factors that led to the increase in the WAC price

<Manufacturer> considers many factors in determining the price of its product, <drug product>, including <manufacturer's> post-marketing regulatory obligations associated with the product, ongoing pharmacovigilance, costs associated with the cold chain distribution process, and market conditions and dynamics. Recently, increasing rates of inflation have been a significant consideration for <manufacturer>.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
11/21/2022	Brand	\$148,560,000

Factors that led to the increase in the WAC price

For <drug product>, periodic price increases are built into the product's life cycle in order to account for and adjust to product development costs, ongoing monitoring costs, the cost to secure regulatory approvals, the cost to make the drug broadly available to physicians and patients, the cost of labor and goods used to produce the drug, investments in manufacturing and production facilities, and funding needed for past, present, and future product development initiatives. The amount of such increases and the significance of each of the above factors are evaluated in light of existing market conditions. <Drug Manufacturer> further considers each prescription drug increase within the broader context of its portfolio of products, many of which experience no price change or a price decrease. Considering an individual product's price increase outside of the context of <drug manufacturer> broader product portfolio obscures the nuanced approach the company takes in deciding whether to take a price increase, price decrease, or leave the price of a product the same.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
12/1/2022	Brand	\$2,407,833

Factors that led to the increase in the WAC price

Increasing costs related to inflationary environment – materials, shipping, labor, overheads

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
12/1/2022	Generic	\$2,407,833

Factors that led to the increase in the WAC price

Increasing costs related to inflationary environment – materials, shipping, labor, overheads

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
12/1/2022	Generic	\$2,407,833

Factors that led to the increase in the WAC price

Increasing costs related to inflationary environment – materials, shipping, labor, overheads

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
12/1/2022	Generic	\$2,407,833

Factors that led to the increase in the WAC price

Increasing costs related to inflationary environment – materials, shipping, labor, overheads
