



State of Utah

SPENCER J. COX
Governor

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Insurance Department

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Utah Drug Transparency Report November 2022

The *Utah Drug Transparency Report – November 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: December 15, 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 37 drug product reports during November 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>
1/1/2022	Brand	\$21,633,000

Factors that led to the increase in the WAC price
Increase supports ongoing development efforts for the <manufacturer> portfolio and fund ongoing operations

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
1/1/2022	Brand	\$21,633,000

Factors that led to the increase in the WAC price
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<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
1/1/2022	Brand	\$0

Factors that led to the increase in the WAC price

The pricing decisions are determined after careful consideration of many interdependent factors including, but not limited to, clinical and economic value of the particular therapy, therapeutic category, overall market dynamics, competitor pricing, discounts provided to customers, commercial and government rebates, patient support, and overall research and development costs.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
8/30/2022	Generic	\$0

Factors that led to the increase in the WAC price

WAC increases can be the result of changes in ingredient costs, changes in acquisition cost, manufacturing costs, sales cost, administrative expense, market conditions, supply shortages, etc.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price

Cost of goods and manufacturing increases

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price

Increase in cost of goods and manufacturing

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price

Increase in cost of goods and manufacturing

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price
Cost of goods and manufacturing increases

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price
Cost of goods and manufacturing increases

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/3/2022	Brand	\$0

Factors that led to the increase in the WAC price
Increase in cost of goods and manufacturing

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/15/2022	Brand	\$14,661,000

Factors that led to the increase in the WAC price
<Manufacturer> bases pricing decisions, including price changes, on a range of market and business considerations including market dynamics, the competitive environment.

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<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/10/2022	Brand	\$1,077,184

Factors that led to the increase in the WAC price

When pricing its products, <manufacturer> takes into consideration multiple factors, including but not limited to: research and development (or asset acquisition) investments, including required royalties; regulatory compliance fees and costs; manufacturing costs; discounts, fees, and other expenses associated with distribution and to facilitate patient access to the product; competition; general economic conditions and trends, including inflation rates; the clinical and economic value of the product; and overall corporate business goals.

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<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/20/2022	Brand	\$433,400,000

Factors that led to the increase in the WAC price

Patient access is a priority because discovering and developing new medicines alone is not enough. Important medical advancements can only change lives when they reach patients who need relief. We determine the price of our medicines based on their value and impact to patients, families, care partners, providers, payers, and society. In doing so, we adhere to the highest ethical and compliance standards and are guided by the following principles:

- Improving the lives and well-being of patients
 - Maximizing access and reducing out-of-pocket costs for eligible patients
 - Striving to reduce obstacles for patients to fill a prescription or undergo treatment
 - Fueling the discovery and development of life-changing medicines
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<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
11/1/2022	Brand	\$196,498,058

Factors that led to the increase in the WAC price

<Manufacturer> must cover operating expenses in order to maintain its commercial enterprise making important medicines for rare disease patients. <Manufacturer> considers overhead costs to include cost of product manufacturing and storage, stability and safety testing, compliance with state and federal regulatory obligations, ongoing pharmacovigilance, product liability insurance, and supply chain costs when pricing its products. <Manufacturer> must also recoup the costs it expended to research, develop, and acquire its current drug products. In addition, <manufacturer's> pricing decisions involve analyzing and balancing the costs of potentially researching and developing new products, and investing in existing products, to bring new or improved products to the market to help patients. <Manufacturer> prices all of its products in accordance with what is reasonable and viable in this highly regulated, costly, and competitive market. Broadly, <manufacturer> considers evolving market dynamics in its pricing decisions, such as the rate of annual inflation, downstream demands for price concessions and rebates, and the increasing costs associated with providing its products to patients. Although we make product-by-product WAC pricing decisions, our increase factors are similar among all products because the process and factors considered when making pricing decisions are similar across all of our products.

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