



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Insurance Department

JONATHAN T. PIKE
Insurance Commissioner

Utah Drug Transparency Report October 2022

The *Utah Drug Transparency Report – October 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: November 21, 2022.

For questions about this report contact:

Jeffrey E. Hawley, Ph.D.
Research Consultant
Health & Life Insurance Division
Utah Insurance Department
4315 S. 2700 West, Suite 2300
Taylorsville, Utah 84129
801-957-9284
jhawley@utah.gov

Shelley Wiseman
Director
Health & Life Insurance Division
Utah Insurance Department
4315 S. 2700 West, Suite 2300
Taylorsville, Utah 84129
801-957-9296
swiseman@utah.gov

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 24 drug product reports during October 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	\$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>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/1/2022	Brand	\$12,300,000

Factors that led to the increase in the WAC price

The change in price of the product is not necessarily related to changes in the product but is determined after careful consideration of a number of interdependent factors, including but not limited to, clinical and economic value of therapy, therapeutic category, market dynamics, competitor pricing, commercial and government rebates, patient support, overall research and development costs

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
7/17/2022	Generic	\$201,847,000

Factors that led to the increase in the WAC price

Increases in raw material and cost to manufacture

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
8/1/2022	Brand	\$0

Factors that led to the increase in the WAC price

Increase manufacturing costs. Cost of raw materials and an increase in cost from our CMO were factors that contributed to the price increase.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/19/2022	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. <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 <manufacturer's> 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>
9/29/2022	Brand	\$1,228,672

Factors that led to the increase in the WAC price

<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.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
9/29/2022	Brand	\$1,228,672

Factors that led to the increase in the WAC price

<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.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$16,287

Factors that led to the increase in the WAC price

The <manufacturer> is implementing this price increase to account for inflation and mitigate its rising cost of goods including the increased costs of materials from suppliers.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$16,287

Factors that led to the increase in the WAC price

The <manufacturer> is implementing this price increase to account for inflation and mitigate its rising cost of goods including the increased costs of materials from suppliers.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$6,340,862

Factors that led to the increase in the WAC price

We are raising price due to significant manufacturing & development costs increase from suppliers

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$33,129,000

Factors that led to the increase in the WAC price

<Manufacturer> has experienced unexpectedly high rebate demands from PBMs, increased costs from wholesalers and high demand for patient assistance programs. We had anticipated <drug product> coverage to be improved by the ACA Preventive Services regulations. However most PBMs are not recognizing <drug product> as a <therapeutic class>.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$148,560,000

Factors that led to the increase in the WAC price

For this 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. <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 <manufacturer's> 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>
10/1/2022	Brand	\$148,560,000

Factors that led to the increase in the WAC price

For this 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. <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 <manufacturer's> 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>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.

<i>Effective Date</i>	<i>Drug Type</i>	<i>Company-Wide Research & Development Costs</i>
10/1/2022	Brand	\$13,829,000,000

Factors that led to the increase in the WAC price

A medicine's price may change for many reasons such as: discovery of new uses and patient populations through both trial data and real world evidence; new or expiring patents; improvements in manufacturing and supply chain; new formulations; market-based factors; and changes in laws and mandates.
