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Drug Transparency Report

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Introduction

This report is submitted pursuant to the requirements of Nevada Revised Statutes (NRS) 439B.650 and information will be presented in a public hearing as required.

Data collected from the 2023 calendar year was utilized to create this report. This report includes data collected from manufacturers, wholesalers, PBMs and drug manufacturer representatives.

The process of manufacturing, distributing, and paying for pharmaceuticals involves numerous entities involved in the drug supply chain, including drug manufacturers, wholesalers, pharmacies, pharmacy benefit managers (PBMs), and insurers. Real transaction prices, including rebates and discounts at each stage of this process, are needed to understand profits across the supply chain.

History of the Nevada Drug Transparency Program

This statute and program originated in the 2017 legislative session. It began with oversight of diabetic medications but has evolved over the years.

At the time of this report, the program evaluates essential diabetic medications with a significant price increase based on statute, as well as any other prescription medication that costs over $40 for a course of therapy and experienced a significant price increase based on statute. That cost is based on Wholesale Acquisition Cost (WAC).

The Nevada Drug Transparency 2024 Drug Lists can be found on the State of Nevada Drug Transparency Program website, at Drug Lists (nv.gov).

What is a Drug Transparency Program?

The intent of the State of Nevada Drug Transparency Program is to gather data from various entities that impact drug prices across the supply chain. The program then analyzes the data and the required reporting that each entity must submit. The intent is for this information to be helpful to both lawmakers making decisions about potential legislation, and consumers making decisions about acquiring their own medications at affordable prices.

More and more states have implemented drug transparency programs. They vary considerably in scope, the triggers for reporting requirements and what data is required. A state-by-state breakdown of those details is available through the National Academy for State Health Policy (NASHP) here: https://www.nashp.org/prescription-drug-pricing-transparency-law-comparison-chart/

According to NASHP, these programs shed light on drug pricing by requiring manufacturers and other supply chain entities to provide information on drug pricing. These programs establish accountability around manufacturers' price increases or high launch prices.

Over time many manufacturers have hired third parties to manage their reporting responsibility. This does not change their obligations in any way and has improved the timeliness of their reporting.

Obligations

The Nevada Department of Health and Human Services (DHHS or the Department) is required to compile a list of prescription drugs essential for treating diabetes (Essential Diabetic Drugs or EDDs), a list of those Essential Diabetic Drugs that were subject to a price increase that met criteria, as well as a list of any other medication subject to a price increase that met criteria and cost more than $40 WAC per course of therapy in Nevada (NRS 439B.630). This WAC price was based on information provided on the last day of the reporting period, December 31, 2023.

The final versions of these lists must be published by February 1, each year. These lists may be viewed here: Drug Lists (nv.gov).

The four drug lists are titled as follows:

1. Essential Diabetes Drug Summary List
2. Essential Diabetes Drug List (includes national drug codes (NDCs))
3. Essential Diabetes Drug List with Significant Price Increase
4. Over $40 Drug List with Significant Price Increase

All manufacturers that produce medication included in Nevada's Essential Diabetic Drug List are required to submit to DHHS a report with data outlining drug production costs, profits, financial aid, and other drug-specific information and pricing data (NRS 439B.635). For drugs that experienced a recent price increase that met criteria, manufacturers are required to submit a report that provides a justification for these price increases (NRS 439B.640).

Pharmacy Benefit Managers (PBMs) are required to submit reports regarding rebates negotiated with manufacturers for drugs on both the Diabetic Essential Drug List and the Over $40 Drug List (NRS 439B.645).

Wholesalers report information regarding WAC, volume shipped into the state, and details regarding rebates for drugs on List #2 and List# 4.

DHHS is also required to maintain a registry of pharmaceutical sales representatives that market prescription drugs in Nevada (NRS 439B.660). These representatives are required to annually submit a list of health care providers and other individuals to whom they provided drug samples and/or individual compensation events exceeding $10 or total compensation exceeding $100 during the previous calendar year.

When DHHS creates the annual report on compensation and samples, this report includes aggregated information regarding what pharmaceutical representatives provided to eligible health professionals and staff.

State law requires that DHHS compile and analyze the above information to submit an annual report on or before June 1.

The Department shall analyze the information submitted pursuant to NRS 439B.635, 439B.640 and 439B.645 and compile a report on the price of the prescription drugs that appear on the current lists compiled by the Department pursuant to NRS 439B.630, and the reasons for any increases in those prices. The report may include, without limitation, opportunities for persons and entities in this State to lower the cost of drugs while maintaining access to such drugs.

As of this writing, two manufacturers and three wholesalers are out of compliance and were issued letters regarding their obligation and the possibility of a penalty if the required reports are not received by the Department.

The Lists

DHHS created four lists, utilizing a methodology that met the requirements of NRS 439B.630. To generate these lists, DHHS used packaging and pricing data from Medispan PriceRx.

The first list is simplified and shows both brand and generic names of Essential Diabetic Drugs. This is intended for consumers and is named "List #1."

The second list is Essential Diabetic Drugs and includes each National Drug Code (NDC) available for that drug. To generate the list, DHHS compiled a list of diabetes drug NDCs that included varying drug packaging formulations. This was named "List #2." 1,154 NDCs appeared on this list.

DHHS analyzed this Essential Diabetic Drug List to identify those that experienced a price increase that met criteria during the preceding one- and two-year periods as defined by Nevada law. This process evaluated price increases occurring during the 2022 and 2023 calendar years. This is named "List #3." 202 NDCs appeared on this list.

For Essential Diabetic Drugs, NRS 439B.630 requires that the percentage price increase be compared against the Consumer Price Index (CPI), Medical Care Component to identify drugs that experienced a price increase that met criteria.

The CPI is designed to measure inflation over time and is published by the United States Department of Labor. This measures the average percentage change over time in the prices paid by consumers for medical care goods and services.

For CPI medical care, the index is divided into two main components: medical care services and medical care commodities. They are broken down this way:

1. Medical care services
    a. Professional Services: Such as doctor visits, consultations, and other health care provider fees.
    b. Hospital and related services: Including inpatient and outpatient care.
    c. Health insurance: Premiums paid by consumers.
2. Medical care commodities
    a. Medicinal drugs
    b. Medical equipment and supplies

Positive values represent an inflation in the average costs for medical care goods and services.

These values act as a benchmark with which diabetic drug price increases are compared to identify the drugs that met criteria for List #3.

The criteria were: the price increase must exceed the previous year CPI Medical Component or double the previous two years. For this report, those numbers were 0.45% for one year (2023) and 8.92% for two years (2022 to 2023).

The weight of each CPI medical care index is determined by out-of-pocket spending by consumers. However, the price change reflected by the indexes considers the total reimbursement to medical providers including payments made on behalf of consumers.

The 2023 Medical CPI had an unusually low growth rate compared to overall inflation. The potential reasons for this as explained by: Vankar, Preeti. "Yearly Changes in CPI for medical care and all consumer goods in the U.S. 2001-2023."

1. Health Insurance: The health insurance CPI showed a significant decline from an annual increase of 28.2% in September 2022 (an all-time high) to a decrease of -24.9% in June 2023. However, it's essential to note that health insurance CPI data is almost one year lagged and may not represent current price changes.
2. Overall Health Care Inflation: The U.S. health care inflation rate (year-over-year change in the health care component of the CPI) was 3.06% in January 2023. While this was lower than the end of 2022 (around 4%), it remained higher than the previous year (2.47% in January 2022).[1]

The final list is a presentation of all other prescription, out-patient medication that met these criteria: the medication had to cost over $40 per course of therapy (or 30-day supply) and taken a 10% or greater WAC increase in the previous year (2023) or a 20% WAC increase or greater in the previous two years (2022 to 2023). This was named "List #4." 340 drug NDCs appeared on this list.

Analysis

Nevada Medicaid claims were utilized to look at trends regarding prescription spending. This represents about 28% of the population. Although this does not represent all of Nevada, this program does not yet have an all-claims data source available.

Medicaid Managed Care Organization and Fee-for-Service claims data for Nevada were obtained from the DHHS Office of Analytics. This dataset included the total Medicaid expenditures per NDC.

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[1] Vankar, Preeti. "Yearly Changes in CPI for medical care and all consumer goods in the U.S. 2001-2023." Statista, November 29, 2023, https://www.statista.com/statistics/1425899/annual-changes-in-cpi-for-medical-care-and-all-goods-in-the-us/

For a claim to qualify under a certain calendar year, the prescription must have been filled during that calendar year.

Table 1 represents the changes in Nevada Medicaid claims over time. It is evident in all years the claim cost increase exceeded the Medical CPI. In all years except 2019 this was a significant difference.

Table 1: Medications Billed to Medicaid

Year	Total Spend	Total # of Medicaid Claims	Average Cost per Claim	Increase in Claim Cost Since Last Year	Medical CPI Increase
2017	$428,783,630	5,034,528	$85.17		
2018	$738,580,755	8,321,139	$88.76	4.22%	2.07%
2019	$680,200,258	7,309,635	$93.06	4.84%	4.62%
2020	$792,020,553	7,766,456	$101.98	9.59%	1.84%
2021	$813,233,775	7,427,940	$109.48	7.35%	2.39%
2022	$967,447,792	8,016,611	$120.68	10.23%	4.00%
2023	$1,025,675,211	7,920,399	$129.50	7.31%	0.45%

Since inception of the program, total spend has increased 139.2%, number of claims 57.3% and cost per claim 52.0%. This increase in cost per claim, (cost per prescription) eclipses the increase in Medical CPI for the same time period which stands at 16.1%.

DHHS looked at the top three 2023 Medicaid claims by both spend and volume. This is depicted in the tables below (Table 2 and Table 3). In the past this data was narrowed down to a single NDC. For the tables below all NDCs are included for the drug listed.

Table 2: Top Three Medications Billed to Medicaid by Spend

Year	Drug	Spend	Indication
2022	Humira	$49,398,474	Inflammatory diseases
2022	Biktarvy	$40,353,038	HIV Infection
2022	Advate	$21,933,502	Hemophilia
2023	Biktarvy	$44,452,81	HIV Infection
2023	Humira	$41,085244	Inflammatory diseases
2023	Kovaltry	$26,684,729	Hemophilia

Table 3: Top Three Medications Billed to Medicaid by Volume

Year	Drug	# of Claims	Indication
2022	Atorvastatin, all strengths	218,628	Hyperlipidemia
2022	Albuterol, all forms	218,481	Asthma, COPD
2022	Ibuprofen, all strengths	196,770	Pain, Inflammation
2023	Atorvastatin, all strengths	213,999	Hyperlipidemia
2023	Albuterol, all forms	207,834	Asthma, COPD
2023	Ibuprofen, all strengths	196,963	Pain, Inflammation

It is no surprise that the three most costly drugs are all brand name and the three most utilized are all generic drugs, as demonstrated in the two tables above.

This year, 1,154 diabetic drugs appeared on the Essential Diabetic Drug List. Of those, 202 had a price increase that met criteria. That is 17.7% and more than in previous years as depicted in Table 4 below.

Table 4: Percent of EDDs with Increase by Year (That met criteria)

Year	Percent of EDDs with Price Increase	Percent of EDDs with Price Increase (new methodology)
2018 data	22.4 %	
2019 data	18.5 %	
2020 data	18.6 %	14.6 % *
2021 data	23.0 %	14.7 % *
2022 data		13.4% *
2023 data		17.7%*

* Methodology changed in 2020. Before that, review of EDDs was limited to medications billed to Medicaid. Starting in 2020, all medications were included, without determining if they appeared in Medicaid billing. This was because Medicaid does not represent all the Nevada population. At this point, the Transparency Program does not have access to all payer data and a product not appearing in Medicaid billing does not mean it was not utilized in Nevada.

Table 5 Compares Claims by List Over Time

YEAR		2021	2022	2023
TOTAL	# of claims	7,427,940	8,016,611	7,920,399
	COST	$813,233,775	$967,447,792	$1,025,675,211
LIST#2	# of claims	343,422	362,839	355,451
	COST	$90,537,141	$107,132,015	$123,128,634
LIST#3	# of claims	71,714	87,741	108,173
	COST	$47,931,753	$64,121,929	$89,286,666
LIST#4	# of claims	4544	23,270	11,240
	COST	$4,308,591	$5,840,407	$7,801,817

Table 6 below displays the proportion of claims versus spend for Lists 2-4.

Table 6 Medicaid Claims by List, Proportion and Average

	# of claims	spend	average
Total	7,920,399	$1,025,675,211	$129.50
List #2	355,451	$123,128,633	$346.40
% of total	4.49%	12.00%	
List #3	108,173	$89,286,666	$825.41
% of total	1.37%	8.71%	
List #4	11,240	$7,801,817	$694.11
% of total	0.14%	0.76%	

The table above indicates that the amount spent on diabetic medication is still disproportion to the number of claims. Each of the past three years, about 4.5% of medication claims billed to Medicaid were for Essential Diabetic medications but the cost was about 11.1% of total spend (increased to 12% in 2023.). In general, diabetic medications cost more than other medications.

In each of the tables above, the percentage spent exceeds the percentage of claims. This indicates how much the cost of the medications exceeds the cost of the medication in an average claim.

There has also been positive movement.

A significant decrease recently was in insulin prices. In 2022 two manufacturers dropped the price of eight popular insulins by 25-40%. There was a modest resultant drop in Medicaid billings for these insulins. In late December 2023, the price of 21 insulins dropped by 70%.

Early January 2024 four other manufacturers followed suit and dropped the price of 39 more insulins. These 2024 price

decreases ranged from 27-78%. Those more recent price drops are not yet evident in Nevada Medicaid billings but will be next year with 2024 billings.

To anticipate how these decreases in insulin prices may affect billings going forward, the

Department considered the following: Total billings for insulin to the Medicaid program in 2023 were $31,363,523. 25% of those NDCs will be affected by the significant late 2023 and early 2024 price decreases.

Looking at each specific NDC that dropped in price and how much was billed in 2023, the savings for 2024 are estimated to be about $9,000,000.

Table 7 Average Claim over Time by List

	2021	2022	2023
All Claims	$109.48	$120.68	$129.50
List #2	$264.44	$295.26	$346.40
List #3	$668.37	$716.13	$825.41
List #4	$948.19	$250.98	$694.11

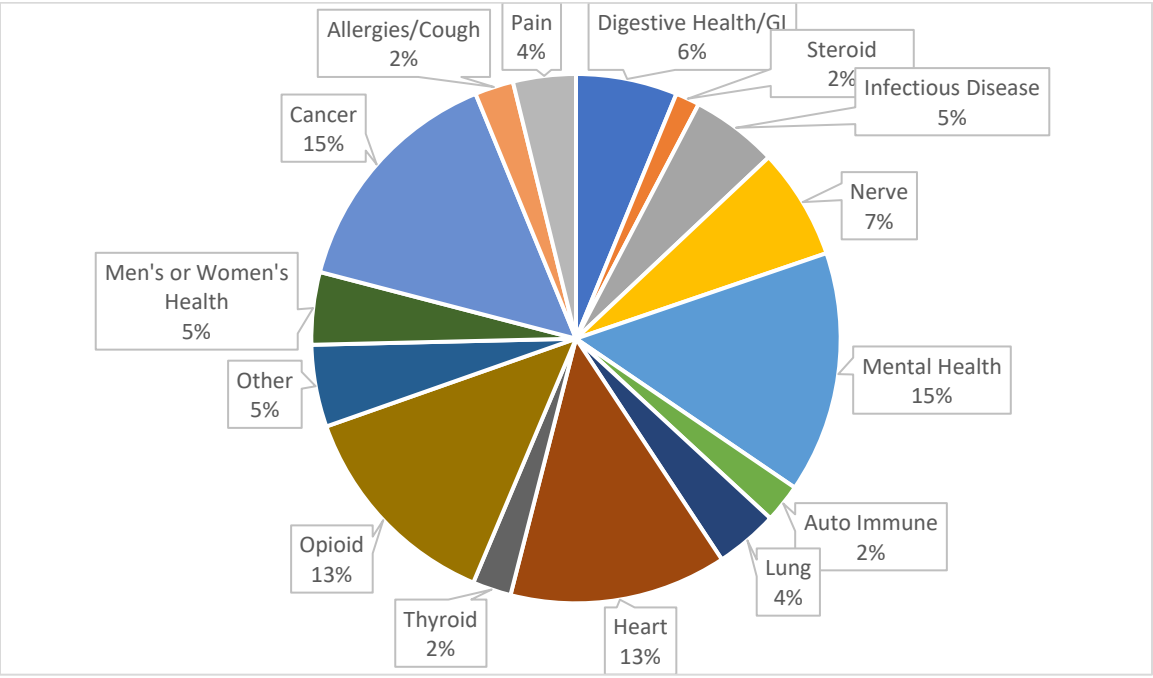
The table above illustrates the cost of claims since the inception of List #4. Lists #2 and #3 have increased each year. The medications on List #4 have not been consistent.

DHHS also evaluated medications that cost over $40 for a course of therapy and had a price increase that met criteria. 340 medications appeared on this list.

Some of the increases on this list were quite significant (several hundred percent). This is the third year of capturing this data.

Figure 1 evaluates “over $40” claims by drug type. This is broken down by the number of drugs that showed up on the list (not number of claims). The most prevalent groups were mental health and cancer, each representing 15%.

Figure 1. Compare Over $40 Drugs by Drug Type

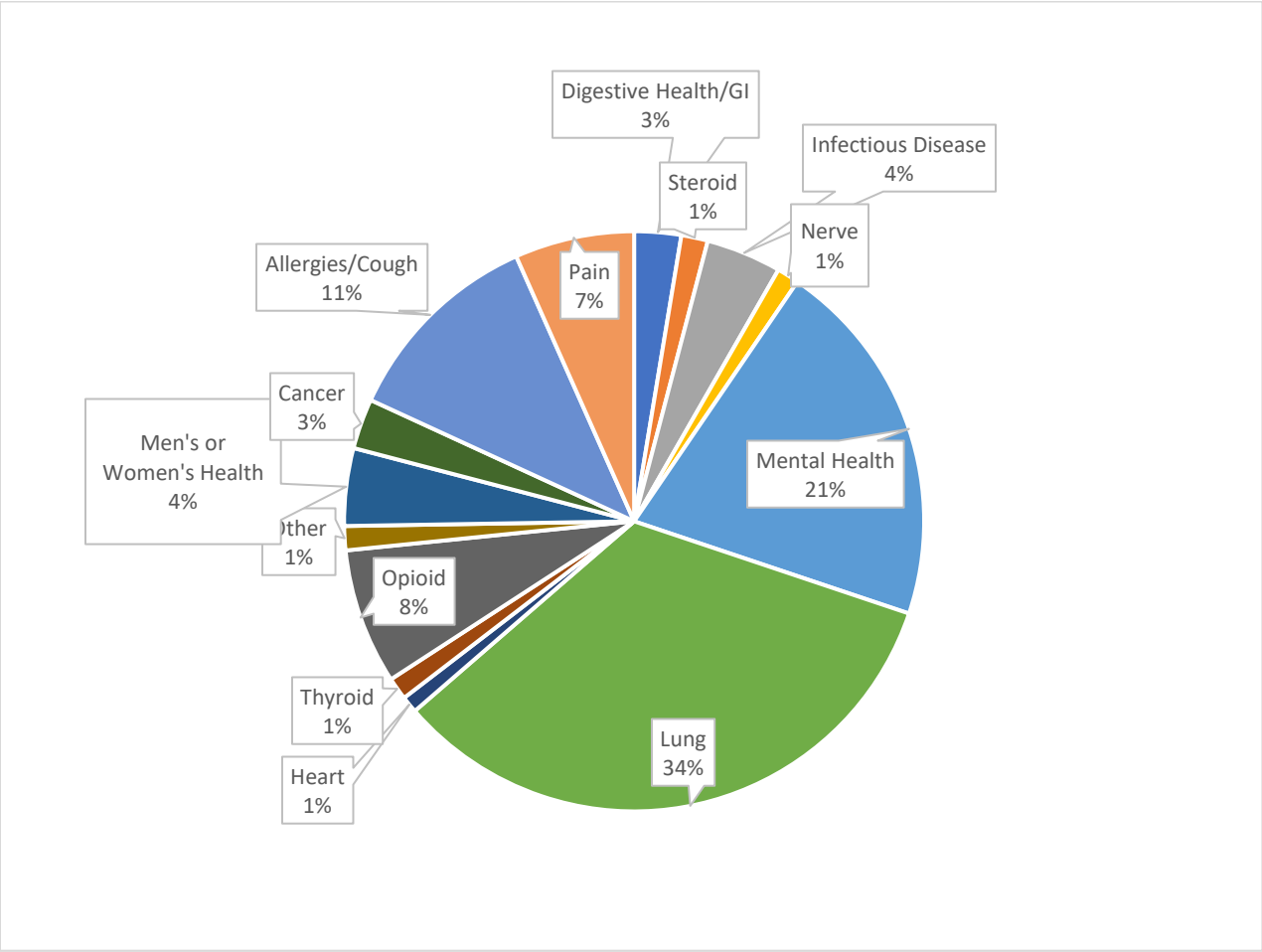


(Values of 1% or less were not included in the figure above.)

The most prevalent seen in Figure 1 above are both cancer and mental health. Because mental health medications are highly prescribed, you can see in Figure 2 below this 15% of these medications translates into 21% of utilization.

Figure 2. Compare Over $40 Drugs by Claim

The following figure shows this “over $40” group broken down by number of claims.



(Values of <100 claims were not included in the figure above.)

The following are examples of health conditions and medication types grouped into each major category for Figures 1 and 2 above:

- Allergies/Cough: Cough medicine, Allergy tablets or sprays
- Auto Immune: Autoimmune Diseases, Gout, Immunosuppressive Drug, Nonsteroidal Anti-Inflammatory Drug, Osteoarthritis, Psoriatic Arthritis, Rheumatoid Arthritis
- Cancer: Cancer, Chemotherapy, Carcinoid Syndrome Diarrhea, Cancer-Related Nausea and Vomiting
- Diabetes: Diabetes Mellitus, Diabetic Nerve Pain, Hyperglycemia, Type 1 and 2 Diabetes

• Digestive Health/GI: Acid Reflux, Bowel Prep Kit, Crohn's Disease, Ulcerative Colitis, Exocrine Pancreatic Insufficiency, Heartburn, Hemorrhoids, Irritable Bowel Syndrome, Overactive Bladder, Pancreatic Enzymes, Ulcer

• Eye: Conjunctivitis, Dry Eye, Eye Drops, Eye Pain and Swelling, Glaucoma, Macular Degeneration

• Heart Conditions: Angina, Atrial Fibrillation, Cardiovascular Disease, Heart Attack, Stroke, Heart Disease, Heart Failure, High Cholesterol, Hypertension

• Lung: Asthma, Chronic Obstructive Pulmonary Disease

• Men's & Women's Health: Birth Control, Endometriosis, Erectile Dysfunction, Fertility - Women's Health, Menopause, Morning Sickness, Prostate, Testosterone, Vaginal Dryness, Osteoporosis

• Mental Health: Attention Deficit Hyperactivity Disorder, Binge Eating Disorder, Parkinson's Disease, Alzheimer's Disease, Antidepressant, Bipolar Disorder, Depression, Schizophrenia

• Nerve: Multiple Sclerosis, Epilepsy, Parkinson's Disease, Neuropathy, Restless Leg Syndrome

• Opioid: opiate medications or drugs used to treat Opiate induced constipation

• Other: Items in small amounts too small to be included in chart

• Pain: Migraine, Muscle Relaxer

• Infectious Disease: Anti-fungal, Anti-parasite, Antibiotic, Cold Sores, Tonsillitis, Toxoplasmosis, Antibacterial, Shingles, HIV, Fungus, Ear Infection, Rotavirus, Hepatitis C Virus, Urinary Tract Infection, Herpes

• Skin: Acne, Actinic Keratosis, Angioedema, Anti-Inflammatory Steroid, Antipruritics, Athlete's Foot, Botox, Dermatitis, Eczema, Psoriasis, Rosacea, Severe Acne, Seborrheic Dermatitis

• Steroid: Steroid in any form not included in either eye or skin category

• Thyroid: Thyroid Disorders

Another way to look at changes in prescription prices is depicted in the figures below. Figures 3 and 4 look at all medication price changes, independent of drug lists, that have been billed to Medicaid over the years this program has been in place. For each year, the number evaluated is based on NDCs billed to Medicaid in that year. The price change is measured from December 31 of the previous year through December 31 of the year indicated.

Figure 3 shows us that the number of NDCs billed to Medicaid increases each year.

Figure 4 depicts the percentage of drugs within this same group that experienced a WAC increase and what that average increase was. This is displayed year over year and shows that the average increase is trending down. It is interesting to note the number of drugs with an increase is trending up, while the average increase is trending down. This may be explained by the existence of transparency programs that are typically triggered by a specific increase threshold (often 10%).

Figure 3. Number of Drugs with WAC Increases by Year

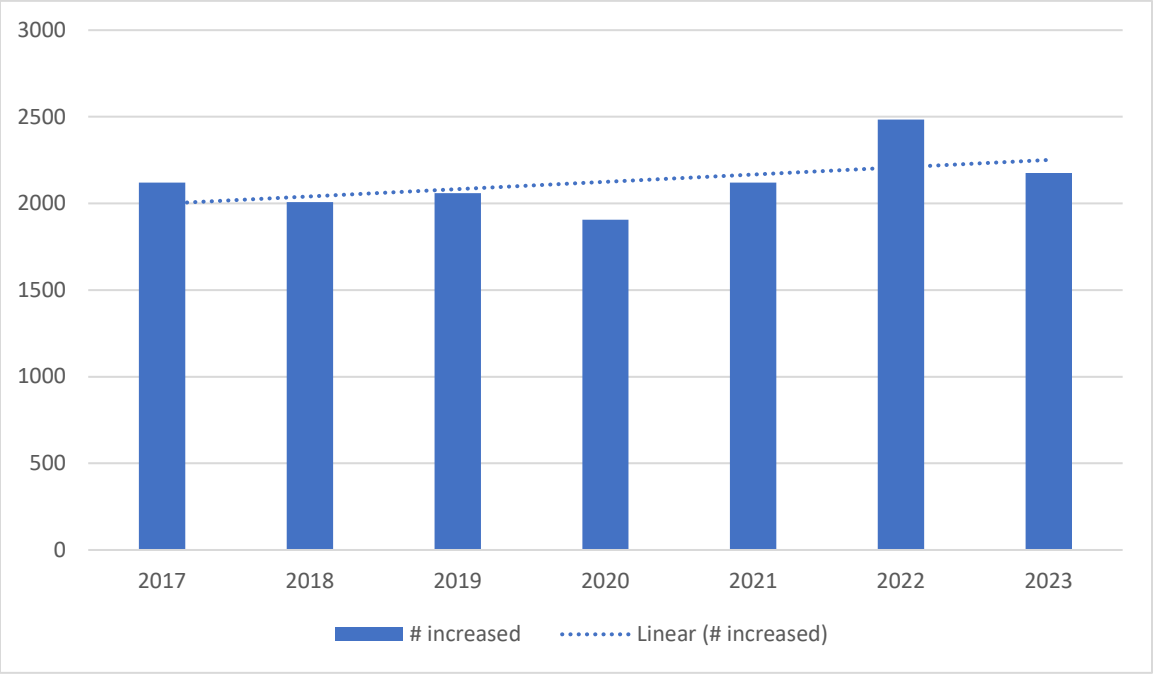
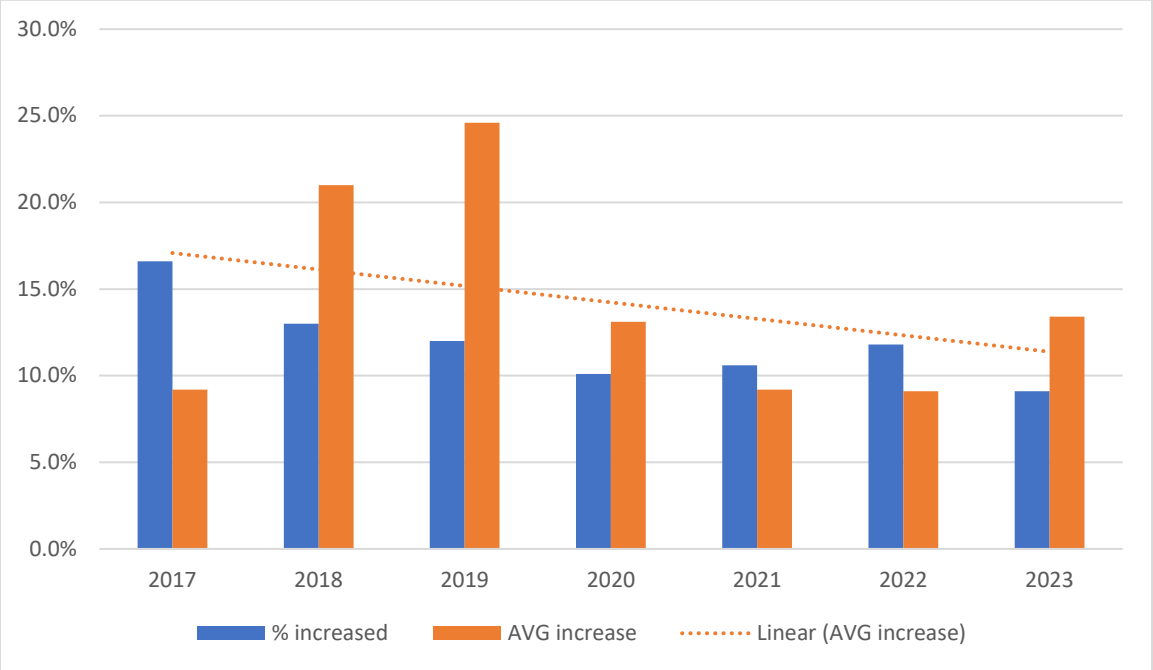


Figure 4. Percent Increase and Average WAC Increase



Drug Manufacturer Financial Assistance and PBM Rebates

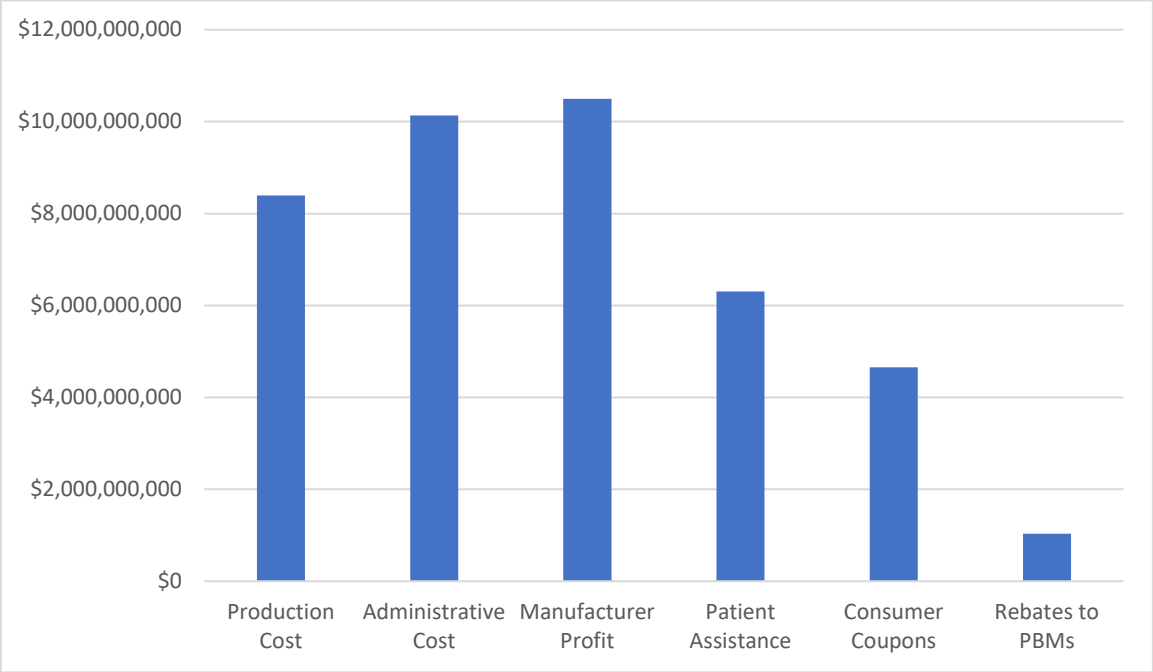
Manufacturers reported the financial assistance provided to consumers and rebates that were provided to PBMs (Figure 5). PBMs can negotiate prescription drug rebates with drug

manufacturers. Some PBMs pass all these rebates on to insurers or consumers while others retain a portion of the rebates.

Many of the Essential Diabetic Drugs are generic and typically do not provide aid in the form of rebates, patient assistance, or coupons. The Over $40 List also provided this information but is a much smaller list. The total amount of financial assistance provided through patient prescription assistance programs was $6,304,402,775.

The value of the aggregate rebates that manufacturers provided to PBMs that were reported to this program for Nevada drug sales was $1,035,200,087. Some responders reported they are unable to separate out data specific to Nevada and instead reported their data for the entire U.S.

Figure 5. Manufacturer Profit Compared to Other Expenses



Manufacturer Price Increase Justifications

Price increases were reported in two places. List #2 and List #4 had to explain any increase in the last five years, even if this increase did not meet criteria for "significant." This information is depicted in Figure 6.

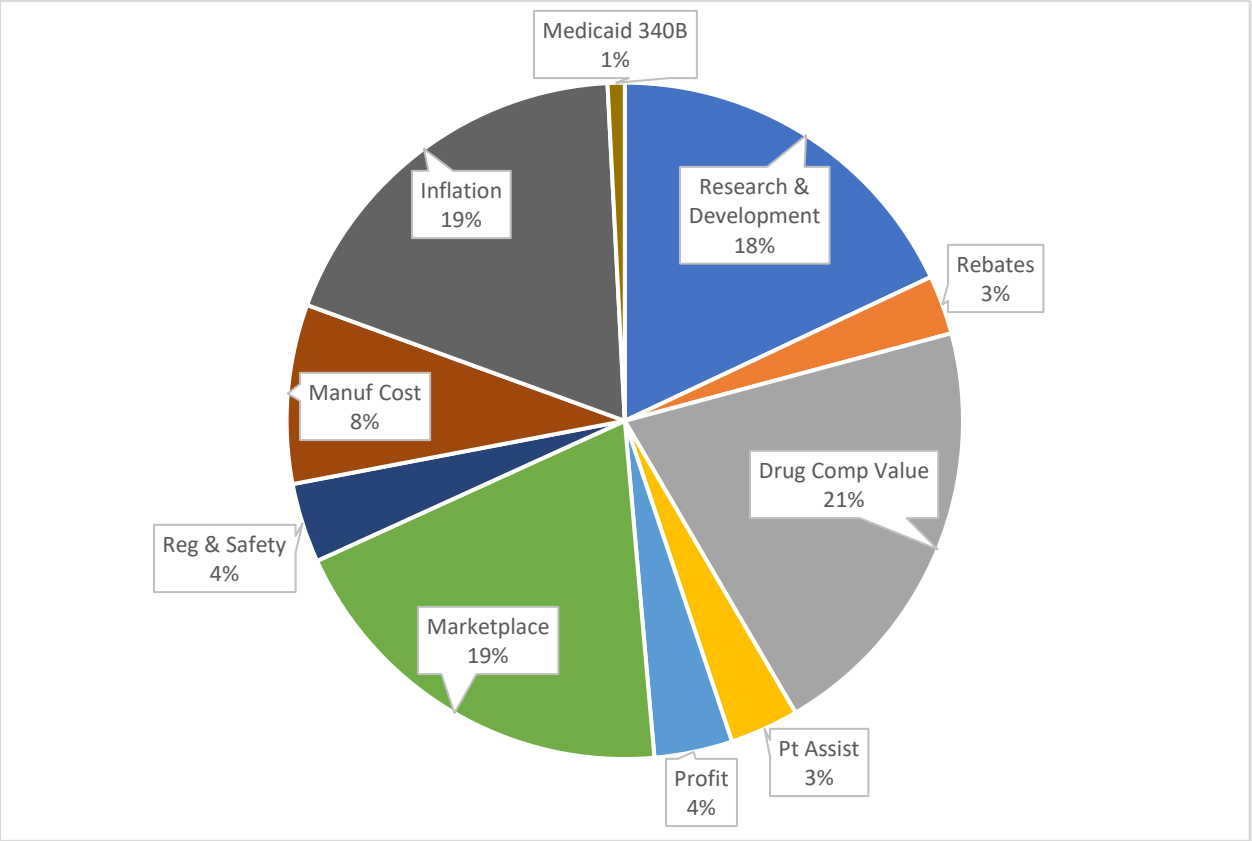
Increases that met the criteria described in NRS 439B.640 were reported separately via the "increase" report. Those increases are depicted in Figure 7.

To assist with analysis, DHHS standardized responses into major categories. Responses were then quantified so that they could be compared for their relative prevalence. A single drug in some cases had more than one price increase justification.

Below is a summary description of each price increase justification. This more clearly defines the justification categories and further clarifies the diverse responses received.

- Advertising and Marketing: Responses indicated a need to promote awareness of drugs through advertisements and further workforce training relating to sales.
- Drug Has More Competitive Value: Responses outlined that the drugs had more value to patients and the market. Drugs were also defined as innovative and effective and thus having more economic value to patients compared to other drugs on the market.
- Inflation: Responses referenced general inflation that occurs in the medical market.
- Manufacturing Cost: This category related specifically to investments in manufacturing or improving or constructing new drug manufacturing facilities. This includes responses that outlined higher drug production costs and higher costs relating to commercial transportation.
- Marketplace Dynamics: Responses indicated that market or commercial conditions induced in part the need for a price increase.
- Patient Assistance and Educational Programs: Responses specified that additional funds were needed to cover the costs of administering patient assistance and educational programs.
- Profit: Responses referenced that manufacturer had a responsibility to improve or maximize value for investors or shareholders. It was also indicated that manufacturers needed to increase prices to avoid not generating a profit at all.
- Rebates: Drug manufacturers enter contractual agreements to pay intermediaries like PBMs, insurers, labelers or distributors, group purchasing organizations, and other entities. Multiple responses indicated that PBMs and other entities are requiring larger discounts and rebates.
- Regulatory and Safety Commitments: Responses in this category related to drug manufacturers' responsibility to fulfill governmental safety, licensing, and reporting responsibilities, including new or additional regulatory requirements.
- Research and Development: This category includes responses indicating that additional funds would support research and development of existing Essential Drugs and future medicines. It was indicated by manufacturers that drug research continues even after the FDA approves their drugs to verify safety and improve product formulations.

Figure 6: Justifications for Any Price Increases for EDDs and Over $40 Drugs



For Figure 6 the most reported answer was drug comparative value at 21%. These drugs were described as having more value to patients and the market. Drugs were also defined as innovative and effective and thus having more economic value to patients compared to other drugs on the market.

Manufacturer Price Increase Justifications per NRS 439B.640

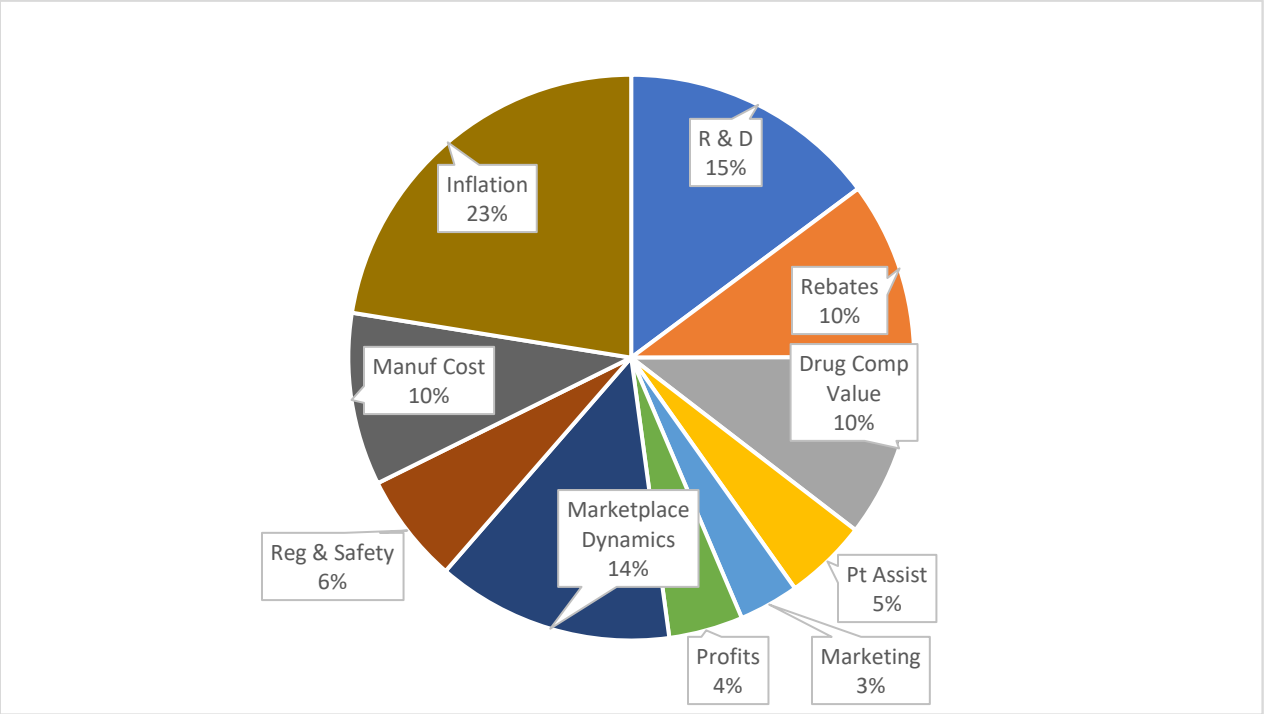
The second place that increases were reported was for drugs on list #3 or #4 that experienced an increase that met criteria. This is very different than what is reported above as it only includes the reporting period of two years, and only those that met criteria. That said, the responses were similar.

340 drug NDCs were reported on the Over $40 list.

Drug manufacturers that appeared on either of these lists were required to submit a report outlining a justification for the price increases for each drug.

Some respondents reported a philosophy regarding how drugs should be priced, rather than drug specific information.

Figure 7: Justifications for Price Increases per NRS439B.640



For Figure 7 the most reported justification was inflation at 23%. This refers to general inflation that occurred in the medical market.

Pharmacy Benefit Manager Reporting

PBMs reported the rebates negotiated with drug manufacturers during the immediately preceding calendar year for prescription drugs included on Nevada Drug Lists. PBMs reported the rebates they retained, as well as the rebates that were negotiated for purchases of such drugs for use by:

- recipients of Medicaid,
- recipients of Medicare,
- persons covered by third party governmental entities that are not Medicare and Medicaid,
- persons covered by commercial insurance,
- persons covered by all other third parties.

Total reported rebates PBMs negotiated with manufacturers for drugs on Nevada lists were over $150 million (Table 8). This is an increase from what was reported last year. The table illustrates just over 6% of negotiated rebates were retained by the PBM.

Table 9 depicts PBM rebate information negotiated specifically with pharmacies.

Table 8. Total Reported Rebates Negotiated by PBMs with Manufacturers

Reported Value Description	Value	%
Total amount of all rebates that the PBM negotiated with manufacturers	$155,067,216	100%
Total amount of all rebates described in Row 1 that were negotiated for use by recipients of Medicaid	$7,487,856	4.8%
Total amount of all rebates described in Row 1 that were negotiated for use by recipients of Medicare	$31,554,266	20.3%
Total amount of all rebates described in Row 1 that were negotiated for use by persons covered by governmental entities that are not Medicaid or Medicare	$14,010,779	9.0%
Total amount of all rebates described in Row 1 that were negotiated for use by persons covered by commercial insurers	$98,657,736	63.6%
Total amount of all rebates described in Row 1 that were negotiated for use by persons covered by all other third parties	$412,894	.3%
Total amount of all rebates described in Row 1 that were retained by the PBM	$9,502,016	6.1%

Table 9: Total Reported Fees Negotiated by PBMs with Pharmacies

Reported Value Description	Value	%
Total amount of all discounts/fees negotiated with pharmacies	$85,822,773	100%
Total amount of all discounts/fees described in Row 1 that were negotiated for use by recipients of Medicaid	$963,262	1.1%
Total amount of all discounts/fees described in Row 1 that were negotiated for use by recipients of Medicare	$33,459,101	39.0%
Total amount of all discounts/fees described in Row 1 that were negotiated for use by persons covered by governmental entities that are not Medicaid or Medicare	$16,970,619	19.8%
Total amount of all discounts/fees described in Row 1 that were negotiated for use by persons covered by commercial insurers	$33,626,416	39.2%
Total amount of all discounts/fees described in Row 1 that were negotiated for use by persons covered by all other third parties	$763,915	0.9%

Pharmaceutical Representative Reporting

NRS 439B.660 requires that sales representatives who engage in business in Nevada register with DHHS and submit a report detailing their compensation and sample distributions in Nevada for the preceding calendar year. Sales representatives are required to report all licensed, certified, or registered health care providers, pharmacy employees, operators or employees of a medical facility, and individuals licensed or certified under the provisions of Title 57 of NRS to whom they provided eligible compensation or samples. Eligible compensation includes any type of compensation with a value of $10 or total compensation with a value that is $100 in aggregate. A total of 278,300 pharmaceutical representatives' events were reported for compensation and sample distribution to DHHS. This included 1,438 individuals with activity to report, and 224 different companies. In many cases, a reported event involved several recipients, as in a group lunch.

Compensation Provided by Pharmaceutical Representatives

DHHS aggregated the reported compensation values from pharmaceutical representative reports that Nevada health care providers and staff in their offices collectively received (Table 10).

For the reporting year, $5,961,471 in compensation from pharmaceutical representatives was identified and the average compensation amount was $19.61. This demonstrates that the predominant pharmaceutical representative interactions with health providers, health support staff, and administration involved small value compensation transactions. Compensation values were categorized by two compensation types based on the reported data and the total reported values for each compensation type were aggregated. Most of the compensation was meal related and represented 96% of total compensation dollars (same as last year's results) with an average of $18.78.

Table 10: Pharmaceutical Representatives Compensation by Compensation Type

Type	Total Amount 2021	Average Amount 2021	Total Amount 2022	Average Amount 2022	Total Amount 2023	Average Amount 2023
Other	$313,925.55	$160.17	$262,272	$298.04	$266,509	$299.11
Food and/or Beverage	$3,046,553.17	$19.42	$4,823,644	$20.04	$5,694,962	$18.78
Total	$3,360,479	$21.12	$5,032,398	$21.05	$5,961,471	$19.61

DHHS aggregated reported compensation values from pharmaceutical representative reports. These values were categorized by recipient type in Table 11. Compensation is a blanket term for

items of value transferred to a recipient and only rarely (less than 1% of events) refer to an actual transfer of money.

Some activity was reported that was not specific to a Nevada representative. This included 1,864 more "events." Nearly 100% were sampling events although a few were meals, and a few cases of educational materials provided. This activity is not included in charts and figures that represent activity specific to Nevada registered representatives.

Table 11 shows the averages have not changed much year to year. What has changed is the amount spent on general "office staff" and this has increased significantly, increasing by more than $2 million per year since 2021.

Table 11: Compensation by Recipient Type

*Recipient Type	Total Comp 2021	AVG Comp 2021	Total Comp 2022	AVG Comp 2022	Total Comp 2023	AVG Comp 2023
Pharmacist	$79,178	$25.72	$110,206	$27.06	$108,895	$27.67
Physician Assistant	$65,442	$20.03	$80,636	$21.67	$87,646	$19.46
RN/LPN	$164,349	$23.79	$225,957	$23.68	$289,640	$23.65
Nurse Practitioner (NP)	$131,934	$23.52	$173,710	$24.21	$196,676	$21.96
Office Staff (includes not specified and "other")	$1,308,959	$19.71	$2,468,127	$19.77	$3,349,964	$18.27
Other Health Care Provider	$680,975	$18.08	$1,051,671	$19.52	$807,464	$18.58
Other Non-Health Care Provider	$375,325	$18.51	$418,752	$18.61	$490,445	$18.55
Doctor (MD or DO)	$552,719	$35.14	$556,495	$33.78	$628,486	$29.73

The following are examples of professions grouped into selected recipient categories:

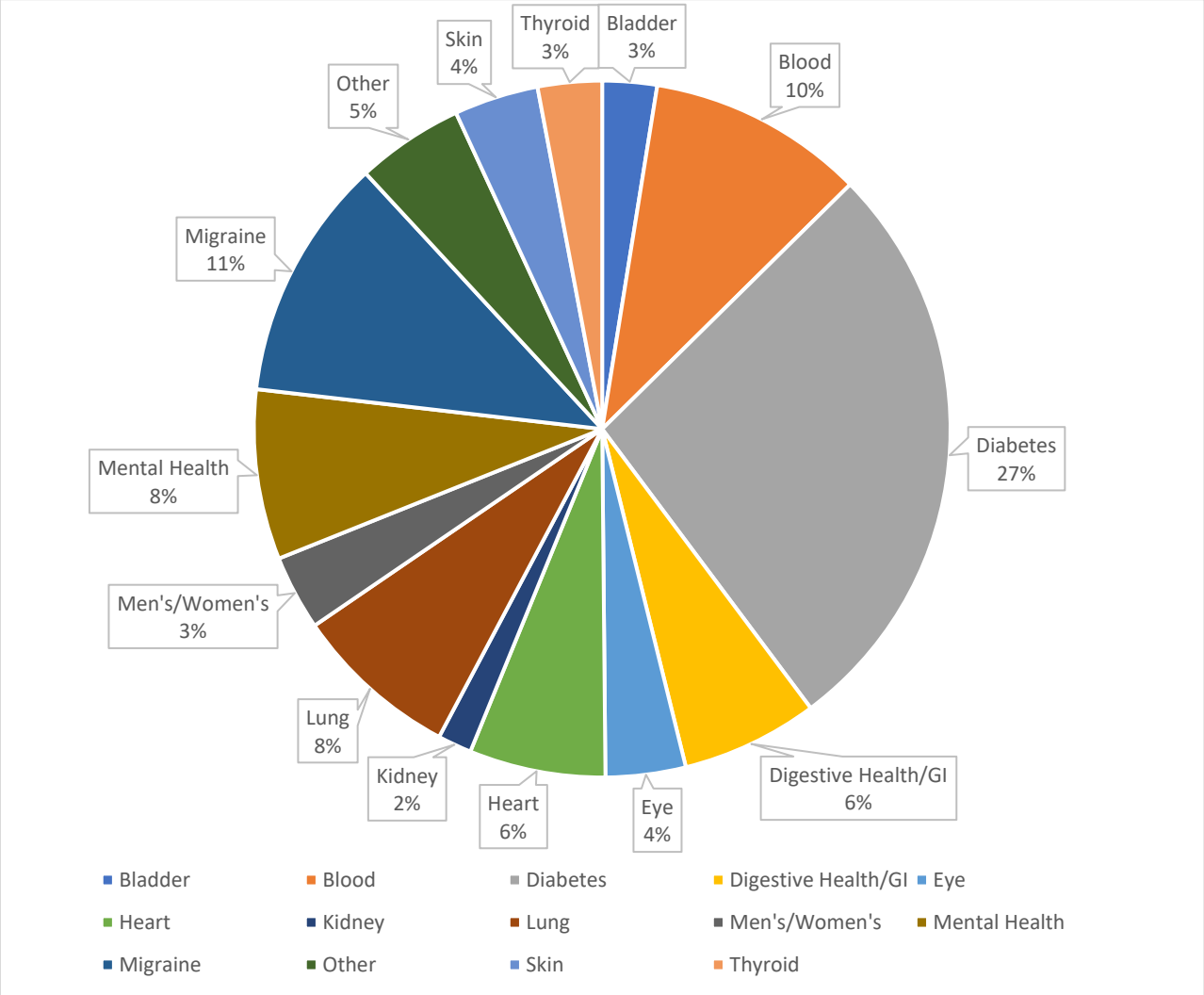
• Office Staff: receptionists, general office staff, scribe, scheduler

• Other Non-Health Care Provider: administration, technician, optical technician, pharmacy technician

• Other Health Care Provider: clinical social worker, therapist, psychologist, social worker, doctor of podiatric medicine, optometrist, dentist

Figure 8: Percentage Sample Distribution Events by Targeted Health Condition

This figure depicts sample distribution broken down by health condition. Those conditions are grouped and further explained below.



(Values of less than 1.0% were included in "other" category in the figure above.)

Figure 8 illustrates that samples most frequently provided were to treat diabetes (27%). This has been the case in all years the program has monitored this activity.

The following includes health conditions grouped into each major category utilized in Figure 8:

• Blood Disorder: Anemia, Venous Thromboembolism, Kidney Conditions, Blood Clots

• Cancer: Cancer, Carcinoid Syndrome Diarrhea, Cancer-related Nausea and Vomiting

• Diabetes

• Digestive Health: Acid Reflux, Bowel Prep, Crohn's Disease, Ulcerative Colitis, Exocrine Pancreatic Insufficiency, Heartburn, Hemorrhoids, Irritable Bowel Syndrome, Overactive Bladder, Pancreatic Insufficiency, Ulcer

• Eye Health: Conjunctivitis, Dry Eye, Eye Pain and Swelling, Glaucoma, Macular Degeneration

• Heart: Angina, Atrial Fibrillation, Cardiovascular Disease, Heart Attack, Stroke, Heart Disease, Heart Failure, High Cholesterol, Hypertension

• Infectious Disease: Hep C, Systemic Bacterial Infections, HIV• Immune Disorder: Auto Immune Diseases, Osteoarthritis, Psoriatic Arthritis, Rheumatoid Arthritis

• Lung Health: Asthma, Chronic Obstructive Pulmonary Disease

• Men's & Women's Health: Birth Control, Endometriosis, Erectile Dysfunction, Fertility, Infection - Women's Health, Menopause, Prostate, Low-Testosterone, Vaginal Dryness, Osteoporosis, Urinary Tract Infection

Mental Health: Attention Deficit Hyperactivity Disorder, Binge Eating Disorder, Alzheimer's Disease, Bipolar Disorder, Depression, Schizophrenia, Pseudobulbar Affect

• Nerve Disorder: Multiple Sclerosis, Epilepsy, Parkinson's Disease, Neuropathy, Narcolepsy, Tardive Dyskinesia

• Opioid & Opioid Abuse Treatment: Drug Withdrawal, Opioid Managed Pain, Opioid-Induced Constipation

• Other: Weight Loss, Allergies, Botox and similar products (multiple indications), Oral or Injectable Steroids (multiple indications)

• Migraine

• Pain Relief: Treated with Topical NSAIDs, Topical Lidocaine and Oral NSAIDs

• Skin conditions: Acne, Actinic Keratosis, Angioedema, Fungal Skin Infections, Parasitic Skin Infections, Antipruritic, Athlete's Foot, Dermatitis, Eczema, Psoriasis, Rosacea/Severe Acne, Seborrheic Dermatitis, Itchy Skin

Wholesalers

Nineteen wholesalers reported paying rebates this reporting period. Many wholesalers reported no rebates paid and those reports are not included here. Data reported included 684,863 units

shipped into the state, $59,772,373 in rebates paid to manufacturers and $12,110,771 in rebates paid to pharmacies.

Report Methodology and Reporting Compliance

This report was prepared in accordance with the requirements of NRS 439B.650. Only aggregated data that does not disclose the identity of any specific drug, manufacturer, or PBM was included in this report in accordance with Nevada Administrative Code 439.740. Unless otherwise indicated, information in this report is specific to the 2023 calendar year.

Manufacturer responses to increase justifications were weighted. Weighting allows for a dataset to be corrected so that results more accurately represent the information being studied. In this case, manufacturer responses were counted for each NDC they represent, rather than each respondent. As an example, a manufacturer responding with one NDC would be counted once and a manufacturer with 10 NDCs would be counted 10 times.

For the Essential Diabetic and Over $40 Report there were 100 manufacturer reports. 50 of these reported an increase in the past five years. For the Significant Price Increase Report there were 58 manufacturer reports. In each case the number of responses indicates how many manufacturers had increases they were obligated to report.

Essential Diabetic and Over $40 Drug Manufacturer Reporting

DHHS aggregated the manufacturer reported values for costs, profits, and rebates attributable to Essential Medications and medications that appeared on the Over $40 List.

Manufacturers provided justifications for all price increases over the last five years. This contrasts with the price increase report as five years are included, and it includes all increases, even if it does not meet the criteria of NRS439B.640.

This reporting was required for drugs on Nevada Lists #2 and #4.

Price Increase Justification Analysis

Drug manufacturers reported justifications for price increases of drugs on Nevada Lists #3 and #4. Responses were standardized into categories as described in this report so that they could be quantified and compared for their relative frequency. Manufacturers often reported one or more justifications for the drug price increases. They provided a percentage of influence on price increase for each factor. Scoring was completed on a NDC level rather than a manufacturer level.

PBM Rebates

PBMs submitted rebate information for all drugs on List #2 and #4. Some PBMs reported 0 for rebates negotiated with manufacturers. In those cases, they only reported negotiated rebates with pharmacies. DHHS added up all PBM reported rebates to create Table 8.

Pharmaceutical Representative Compensation and Samples Data

All pharmaceutical drug representative compensation and samples reports received by DHHS were standardized and merged into one dataset. DHHS received 278,300 pharmaceutical representative compensation and samples records.

More Information

The DHHS Drug Transparency website is available at drugtransparency.nv.gov

For email notifications and Nevada Drug Transparency information and updates, subscribe to the LISTSERV online at Drug Transparency - LISTSERV (nv.gov).

Feedback and questions can be directed to drugtransparency@dhhs.nv.gov