

## Memo

To: Pharmaceutical Manufacturers

From: Wendy Morgan, Chief of the Public Protection Division  
Kate Whelley McCabe, Assistant Attorney General  
Vermont Office of the Attorney General

Date: September 7, 2011

Subject: Updated Guidance on Complying with Vermont's Pharmaceutical Marketer Price Disclosure Law - First Databank and AWP Reporting

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As you are aware, Vermont's Pharmaceutical Marketer Price Disclosure law, 18 V.S.A. § 4633, requires pharmaceutical marketers to provide prescribers with comparative price information so that prescribers can take cost into consideration when prescribing drugs within a therapeutic class. In particular, Vermont law requires marketers to provide doctors with the average wholesale prices (AWPs) of the drugs they market as well as of other drugs in the same class when they interact with prescribers.

The statute provides that AWP is the wholesale price "listed in a nationally recognized drug pricing file." Currently, the Office lists First Databank, Medi-Span, and Redbook as approved sources of AWP information.

The Office has been made aware, however, that as of late September 2011, First Databank will cease publishing AWP information.

At this time, and until further notice, the Office will allow those pharmaceutical marketers who wish to continue to use First Databank data to provide the following prices in lieu of First Databank's AWP:

- Wholesale Acquisition Cost (WAC) plus 20%,
- If WAC is not available, Direct Price (DP) plus 20%
- If neither WAC nor DP is available, Suggested Wholesale Price (SWP)

Thank you.