Bristol Myers Squibb

U.S. Pharmaceuticals

3401 Princeton Pike, Lawrenceville, NJ 08648

June 29, 2020

BY ELECTRONIC DELIVERY

Vermont Attorney General’s Office 109 State Street

Montpelier, VT 05609

[AGO.highcostprescriptiondrugs@vermont.gov](mailto:AGO.highcostprescriptiondrugs@vermont.gov)

To Whom It May Concern:

As required by 18 V.S.A. § 4637(c), and within thirty calendar days of the initial notice provided on 6/2/2020, Bristol-Myers Squibb is providing further information on the introduction of a new prescription drug with a wholesale acquisition cost that exceeds the threshold set for a specialty drug under the Medicare Part D program:

* ZEPOSIA® (ozanimod) 7 day titration pack

NDC 59572-810-07

* ZEPOSIA ® (ozanimod) 0.92 mg 30 count bottle

NDC 59572-820-30

* ZEPOSIA ® (ozanimod) starter kit (7 day titration pack + 0.92 mg 30 count bottle)

NDC 59572-890-91

We consider multiple factors when setting a list price for a medicine, including:

* The benefits the medicine brings to patients, healthcare systems and society - in terms of clinical outcomes and quality of life, longevity of life, and savings generated for other parts of the healthcare system such as reduced hospitalization and treatment costs
* Market and business considerations, including:
  + Ongoing research-investment costs; BMS invests more than 35% of its annual revenues in R&D, among the highest of any large company in any industry in the world
  + Medical- and patient-service costs; this includes funding growing patient assistance programs
  + Inflationary and capital-investment costs associated with manufacturing, storage and supply

Zeposia was not granted breakthrough therapy designation or priority review by the FDA. Bristol-Myers Squibb obtained rights to Zeposia as part of the Celgene acquisition, which completed on November 20, 2019.

Total class of RRMS (Relapsing-remitting multiple sclerosis) and SPMS (Secondary-progressive multiple sclerosis) is estimated at 280,000 patients. BMS is unable to provide an estimate of the number of patients who will be prescribed Zeposia each month.

As per 18 V.S.A. § 4637(d), Bristol-Myers Squibb is refraining from disclosing other components noted in 18 V.S.A. § 4637(c) because these components are not in the public domain or publicly available.

In the event Vermont S. 92 and the laws it implements, including 18 V.S.A. § 4637, are found invalid, Bristol-Myers Squibb reserves all of its legal rights. In issuing this notice in an attempt to comply with 18 V.S.A. § 4637, Bristol-Myers Squibb does not waive any legal claims or legal rights related to constitutional or other defects arising under Vermont S. 92.

Sincerely,

Kinneret Klein

Senior Manager, State Price Transparency