



VERMONT LEGISLATIVE
Joint Fiscal Office

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Issue Brief

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The Prescription Drug Manufacturer Fee and the Evidence-Based Education and Advertising Fund

The purpose of this issue brief is to explain the Prescription Drug Manufacturer Fee and the Evidence-Based Education and Advertising Fund.

Summary

The manufacturer fee is a fee of 1.75% of the previous calendar year's prescription drug spending by the Department of Vermont Health Access based on manufacturer labeler codes as used in the Medicaid rebate program.¹ According to statute, the collected fees can be used to fund following:

- Collection and analysis of information on pharmaceutical marketing activities (often referred to as academic detailing).²
- Analysis of prescription drug data needed by the Office of the Attorney General for enforcement activities.
- The Vermont Prescription Monitoring System (VPMS).³
- The evidence-based education program.⁴
- Statewide unused prescription drug disposal initiatives.
- Prevention of prescription drug misuse, abuse, and diversion.
- The Substance Misuse Prevention Oversight and Advisory Council.⁵
- Treatment of substance use disorder.
- Exploration of nonpharmacological approaches to pain management.
- A hospital antimicrobial program for the purpose of reducing hospital-acquired infections.
- The purchase of fentanyl testing strips.
- The purchase and distribution of naloxone to emergency medical services personnel
- Any opioid antagonist education, training, and distribution program operated by the Department of Health or its agents.

The manufacturer fees are collected in the Evidence-Based Education and Advertising Fund.

The fees are collected into a special fund called the Evidence-Based Education and Advertising Fund.⁶

¹ 33 V.S.A. § 2004

² 18 V.S.A. §§ 4632 and 4633

³ 18 V.S.A. §§ 4281–4290

⁴ 18 V.S.A. § 4622

⁵ 18 V.S.A. § 4803

⁶ 33 V.S.A. § 2004a

Revenues and Expenditures

FY 2022

- FY 2022 revenues from the fee were \$3,806,885
- Expenditures from the fund in FY 2022 totaled \$3,494,973. The following chart shows how the funds were spent in FY 2022.

Evidence -Based Education and Advertising Fund	
SFY 2022 Expenditures by program	
Prescription Drug Education	\$356,509
Opioid Antagonist Program	\$1,830,717
Prescription Drug Monitoring Program	\$506,143
Antibiotic Stewardship	\$6,741
Prescription Drug Disposal	\$558,111
Substance Misuse Prevention Council	\$236,751
Total	\$3,494,972

FY 2023

- FY 2023 revenues from the fee are estimated to be between \$4.7 and \$4.8 million.
- The budgeted FY 2023 appropriation from the fund is \$4,814,281

FY 2024

- The Governor's FY 2024 budget recommendation proposes an appropriation of \$3,513,916 from the fund.

According to the Vermont Department of Health, the fund has an unobligated balance totaling \$2.6 million after taking into account the Governor's FY 2024 budget recommendations and estimated FY 2024 revenues from the manufacturer fee.