

## Memo

To: Manufacturers of Prescribed Products

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

Date: June 6, 2011

Subject: June 16, 2011 Conference Call on Draft Consolidated Guide for 2011; Revisions to FY11 Disclosure Form and Database

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The Draft Consolidated Guide for 2011 is now posted on the Vermont Attorney General's website, along with draft reporting forms.

We will have a conference call to get your feedback on these documents on:

Thursday, June 16, 2011

1 p.m., Eastern Standard Time

Toll Free: 1-888-757-2790

Pass Code: 134936#

In addition, you may have noticed that the FY11 Disclosure Form for Manufacturers of Prescribed Products (reporting period July 1, 2010 to June 30, 2011), and/or the corresponding database, have undergone some revision. We'd like to take this opportunity to explain those revisions, and will field your questions about these revisions during the call. These revisions are minor, and made with an eye toward making disclosure more straightforward for you. The Office will accept disclosures made per the unrevised form, however. Therefore, if any of you picked up your database before these changes were made – or otherwise relied on the database or form as they were before these revisions – you are not required to duplicate your efforts.

As to the revisions:

First, there is no longer a field for “Type of Recipient.” In other words, the Office no longer requires you to choose a recipient type for expenditures.

Second, the Office has added “Other FMV Payment” to the “Purpose of Expenditure” drop down menu, and a “FMV Payment Description” field. Previously, many manufacturers (appropriately) chose “Other” as an expenditure purpose for FMV (or “Fair Market Value”) payments, but merely recited “FMV payment,” or the equivalent, in the “Other” field provided to the right of the drop down menu. The Office expected you to disclose more detail – in other words, what the FMV payment was for. Therefore, we have added “FMV Payment” as an expenditure purpose, and added a field for you to provide that missing detail.

Third, in addition to “Other FMV Payment,” the Office has expanded the expenditure purpose choices to require more detailed reporting as to the purpose of expenditures related to clinical trials and research. Whereas you were previously asked to choose between “Bona fide Clinical Trial” and “Research Project” only, now the choices corresponding to these expenditures track the statutory language about the three types of expenditures that are allowable in this context:

Bona fide Clinical Trial – Gross Compensation

Bona fide Clinical Trial – Other Expenses

Bona fide Clinical Trial – Salary Support

Research Project – Gross Compensation

Research Project – Other Expenses

Research Project – Salary Support

Any manufacturer that has relied on a system that did not require this level of detail should choose the relevant “Gross Compensation” choice for FY11 disclosures (the greater level of detail will be required for reporting for the last six months of 2011 and into the future).