Drug pricing spotlight report
Brand-name prescription prenatal vitamins
An introduction from David Calabrese, Chief Pharmacy Officer at OptumRx

The rising cost of health care is creating affordability challenges for consumers and clients across the country. Nowhere is this more prevalent than the rising prices of medications set by drug manufacturers, leading to financial burdens for both plan sponsors and members.

As new medications enter the market, OptumRx® has observed a troubling new trend that contributes to the rising cost of health care: an influx of therapeutically equivalent brand drugs that carry hefty price tags but offer little to no added clinical value. Worse, the existing medications may have generic alternatives available.

These medications range from multivitamins to dermatological products and contribute millions of dollars of drug spend to the health care industry. While some exorbitant drug price schemes have made national headlines and sparked outrage in recent years, we continue to observe frequent areas of price exploitation in select drug categories. Individually, they may not be garnering national attention, but collectively, these categories drive higher spending for plan sponsors and greater affordability and access challenges for patients and clients.

We need to shine a spotlight on the growing trend of drug pricing conduct from drug manufacturers. This exclusive series aims to do just that, while also sharing what a pharmacy care service partner like OptumRx is doing on the frontlines to combat this troubling trend in order to drive savings, control costs and promote improved health outcomes for our members and clients.

Our first Drug Pricing Spotlight Report focuses on prescription prenatal multivitamins to help promote optimal health of the fetus during pregnancy, healthy births and infant development post-delivery.
Key trends and industry activity

For decades, prenatal vitamins have been a standard of care and best practice in pregnant and lactating women. There are hundreds of different formulations of prescription and over-the-counter prenatal multivitamins on the market today.

Available in both brand and generic form from a variety of drug manufacturers, prescription prenatal vitamins typically contain a varying mix of common vitamins and minerals in multiple combinations of daily dosage levels. The daily dosage levels of the various components are generally formulated based upon recommended daily allowances for this specific patient population from the Food and Drug Administration (FDA), the American College of Obstetricians & Gynecologists (ACOG) and the World Health Organization (WHO).

• What primarily differentiates prescription prenatal vitamins from other multivitamins is that they typically contain higher levels of two clinically important ingredients: folic acid and iron.

• Folic acid has been found to prevent neural tube defects which are rare but serious abnormalities of the brain and spinal cord that can develop in the unborn child. Iron, on the other hand, helps to support the growth and development of the baby as well as helping to prevent anemia during pregnancy, a condition in which the body may not produce sufficient numbers of healthy red blood cells.

Some drug manufacturers have launched brand-name prenatal vitamins that include similar combinations of vitamins and minerals but priced significantly higher than preexisting, clinically comparable and generic alternatives. The graph below is a snapshot of some of the worst offenders in this area. This is just a subset of a much broader list of high-cost entities for which much lower cost alternatives are available in this class.

Physicians targeted by pharmaceutical company marketing may be unaware of the ultra-high costs. Once prescribed, patients and benefit plan sponsors pay the price — even though equivalent options are available for a fraction of the cost.

Potential effect:
Pregnant women may forego these products altogether due to their high price, particularly those in high-deductible health plans, putting their unborn child and themselves at higher risk of poor clinical outcomes.

Table 1

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>High-cost prenatal vitamins</th>
<th>Average cost per 90-day supply</th>
<th>Covered generic alternative</th>
<th>Average cost per 90-day supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solubiomix</td>
<td>Azesco®</td>
<td>~$5,600</td>
<td>PrePLUS® Prenatal Vitamins</td>
<td>$44</td>
</tr>
<tr>
<td>Foxland Pharmaceuticals</td>
<td>Trinaz®</td>
<td></td>
<td></td>
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<tr>
<td>7T Pharma</td>
<td>Genicin Vita-S®</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TMIG Inc</td>
<td>Lorid®</td>
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</tbody>
</table>
Safeguarding the pharmacy benefit

Collectively, these products and others like them result in significant, unnecessary out-of-pocket expenses for consumers and can add as much as 2–4% in undue added cost to a plan sponsor’s annual overall drug expenditures.\(^1\)

As a pharmacy care services company partnering with all stakeholders involved in the distribution chain for prescription drugs, OptumRx is unique in the resources and efforts it has devoted toward this type of market surveillance. This includes proactively identifying and intervening to mitigate these types of emerging trends. Through advanced analytics, we routinely monitor the potential impact of these types of products at a client-level and proactively advise and deploy strategies to protect against their negative financial impact without compromising quality of patient care. These ongoing efforts help improve quality of care while lowering costs.

For example, the OptumRx Vigilant Drug Program targets high-cost brand medications and generics that have lower-cost, therapeutically equivalent alternatives and excludes them from the formularies. This complimentary, modular, optional program excludes:

- **New, high-cost brand name medications** that offer little to no clinical advantage over existing medications or their generic alternatives within the same drug class.

- **Higher-cost reformulations** of existing, well-tested, generic alternatives with substantially lower prices.

- **Select, high-cost, non-FDA-approved medications** and encourages FDA-approved options with established safety and effectiveness for the same conditions for a lower cost.

- **Newly launched medications** temporarily until they can be formally reviewed by the OptumRx Pharmacy & Therapeutics Committee, a group of independent pharmacists and physicians who drive our clinical decisions.

In 2019, more than 71% of commercial clients (63% of members) have one or more Vigilant Drug Program components in place, up from 64% of clients (57% of members) in 2018.\(^2\) Table 2 below provides other examples of the numerous products which are currently targeted as part of the different modules within our Vigilant Drug Program.

We provide innovative tools that empower physicians to make the best decisions on behalf of their patients. For example, PreCheck MyScript\(^{\textregistered}\) gives physicians a first-hand perspective into the actual cost of a medication and proactively identifies lower-cost, clinically comparable alternatives for their patients at the point of prescribing. To date, one out of five transactions with a recommended alternative resulted in the provider choosing an alternate medication, saving members on average $135 per script.\(^3\)

Similarly, OptumRx MyScript Finder™ is a user-friendly mobile app that empowers members to make therapy and medication choices that best meet their needs based on price and convenience. Members can view which medications they’re currently taking, compare available alternatives based on price and set up medication home delivery. It is an accurate, consistent and transparent tool that helps members make the most of their pharmacy benefits.
## Table 2

<table>
<thead>
<tr>
<th>Drug</th>
<th>Category</th>
<th>Alternatives</th>
<th>Cost differential per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>DERMACIN ZRM PAK™</td>
<td>Me too</td>
<td>Generic alternative lidocaine patch 5%</td>
<td>$5,131 vs. $148</td>
</tr>
<tr>
<td>XRYLIX™</td>
<td>Non-essential</td>
<td>Generic alternative diclofenac solution 1%</td>
<td>$5,779 vs. $49</td>
</tr>
<tr>
<td>METFORMIN ER (generic Glumetza®)</td>
<td>High-cost generics</td>
<td>Generic alternative Metformin ER (generic Glucophage® XR)</td>
<td>$3,727 vs. $9</td>
</tr>
<tr>
<td>WELLBUTRIN XL®</td>
<td>High-cost brand with generics</td>
<td>Generic alternative bupropion XL</td>
<td>$2,182 vs. $40</td>
</tr>
<tr>
<td>ATIVAN®</td>
<td>High-cost brand with generics</td>
<td>Generic alternative lorazepam</td>
<td>$2,167 vs. $3</td>
</tr>
</tbody>
</table>
Brand name prescription prenatal vitamins

**References**

1. Internal OptumRx Book of Business Client Data.
2. Ibid.
3. Third party analysis of OptumRx claims data. September 2018 – August 2019 based on 4.6 million members, >180,000 providers, and 28.2 million transactions using PreCheck MyScript.