

## Drug price spotlight:

### Wound dressing products

The OptumRx<sup>®</sup> Vigilant Drug Program™ targets high-cost brand medications and generics that have lower-cost, therapeutically equivalent alternatives and excludes them from the formularies. These can include new, high-cost brand name medications as well as reformulations of existing generic alternatives that cost much more but offer little to no clinical advantage over existing medications.

In this report, we will focus on **wound dressing products** used to manage wounds and scars resulting from burns, surgical procedures, or other trauma.

Several factors are driving the increased need for wound care. This includes the rising incidence of chronic diseases such as diabetes, cancer, and other autoimmune disorders; the number of surgical procedures expected to rise over time; and an increased focus on reducing hospital stays.<sup>1</sup>

In the U.S., chronic wounds affect an estimated 6.5 million people, resulting in annual treatment costs of **up to \$25 billion**.<sup>1</sup> [Note: Depending on plan design, wound dressing formulations are often considered medical devices and not medications.]

There are hundreds of different prescription and over-the-counter wound dressing options on the market today. Prescription wound dressings can contain multiple combinations of antiseptic, antimicrobial, and protective barrier compounds.

**Notably, high-cost prescription wound dressings have not demonstrated consistent clinical benefit compared to those with similar active ingredients available in low-cost prescription or over-the-counter (OTC) form.**

Recently, manufacturers have launched new brand-name prescription wound dressings that include similar combinations of ingredients as OTC and lower-cost generic products. Yet, they are priced far higher than the alternatives – **up to 125 times more**.



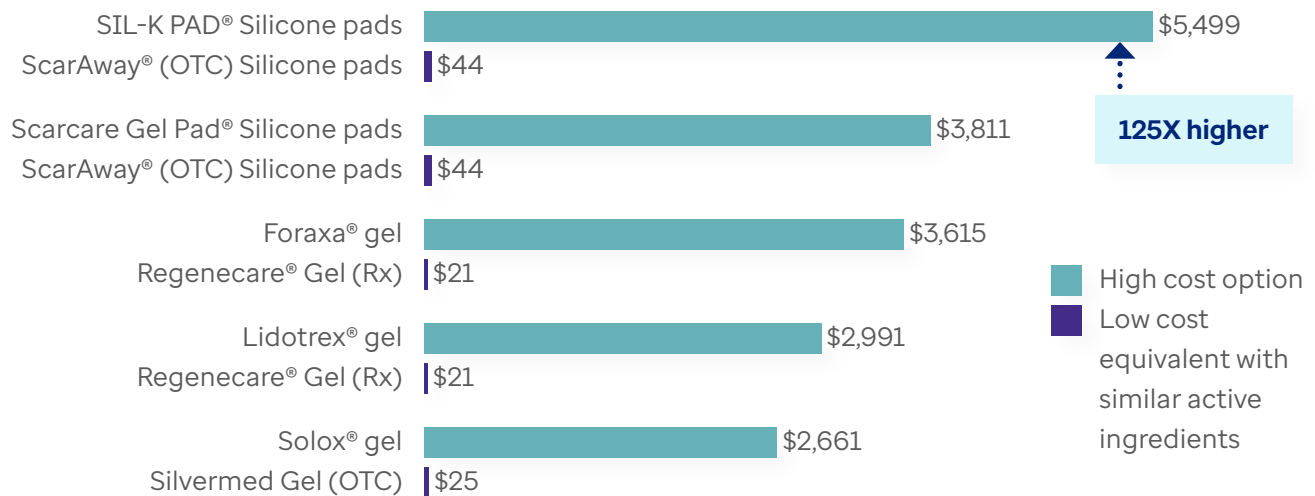
**Targeting high cost/low value drugs**



**Protects patients and plan sponsors**

## Drug price disparity

This graph gives a snapshot of some of the worst offenders in this area. Note that this is just a small subset of a much broader list that we have identified in this class:



## Potential effect:

Physicians targeted by pharmaceutical companies may often be unaware of the ultra-high costs of these products. Once prescribed, patients and benefit plan sponsors pay the price:

- **Patients:** These products and others like them result in significant, unnecessary out-of-pocket expenses for consumers. Patients managing active wounds may delay use or forgo these products altogether due to their high price, particularly those in high-deductible health plans. This may put them at higher risk for infections, scarring, and increased recovery time.
- **Plan sponsors:** High-cost wound care products are a subset of a broader financial exposure to **high-cost/low-value** products in the market. Collectively, unnecessary drug and devices can add more than 6% in undue added cost to a plan sponsor’s annual overall drug expenditures.<sup>2</sup>

## OptumRx® Vigilant Drug Program™: Protecting the pharmacy benefit

OptumRx is a pharmacy care services company uniquely positioned to partner across the healthcare delivery system. Our ultimate goal is to help improve quality of care while at the same time lowering costs.

The OptumRx® Vigilant Drug Program™ is one more example of how we use advanced analytics. We routinely monitor the potential impact of these types of products and deploy strategies to protect against their negative financial impact – without compromising quality of patient care.

### Resources

1. Grand View Research. U.S. Advanced Wound Care Market Size, Share, & Trends Analysis Report By Product (Foam, Film, Hydrocolloid, Alginate), By Type (Chronic, Acute), By Region, Competitive Insights, And Segment Forecasts, 2019 – 2026. <https://www.grandviewresearch.com/industry-analysis/us-advanced-wound-care-market>
2. Internal OptumRx Book of Business Client Data, Q2 2020



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