

BUSINESS DAY

For Meningitis B Vaccines, Climbing Revenue, and Plenty of Skepticism

By SHEFALI LUTHRA SEPT. 7, 2017

Small college outbreaks four years ago of meningitis B — an extremely rare variation of the dangerous infection — have set off a lucrative new business: persuading parents that pricey vaccines are a loving investment for their college-bound children.

Today, two brand-name vaccines, both with price tags topping \$300, are widely advertised on television playing to parents' fears. "As moms, we send our kids out into the world, full of hope," says a mother in the ad for Bexsero, sold by pharmaceutical giant GlaxoSmithKline, as her son loads up the car to go off to college.

Says another voice: "And we don't want something like meningitis B getting in their way."

Vaccine makers are hoping to profit from an ailment that very few people get. Still, analysts expect the two medications to generate at least hundreds of millions of dollars in global sales annually. GlaxoSmithKline said that Bexsero alone brought in \$166 million in the United States last year.

That's a remarkable number considering that at the time of the outbreaks four years ago, which occurred at Princeton and the University of California Santa Barbara, Bexsero wasn't even available in the United States — in fact, no meningitis B vaccines were on the market. Despite availability abroad, vaccines had never been licensed in the country because of the apparent limited need.

Meningitis B is unusual. The Centers for Disease Control and Prevention has estimated fewer than 300 cases occur in the United States per year, and some medical experts interviewed suggested the number may be closer to 50 or 60. It is more common in European countries, particularly Britain.

However, the headlines prompted by the 13 campus cases — which resulted in one death and one double amputation — helped reshape the financial prospects for the drugs. Some physicians and other industry experts are now growing uneasy about the role of marketing in leveraging parental fears to sell the meningitis B vaccines as well as other expensive vaccines for rare illnesses.

A complete Bexsero series costs \$320. A competing vaccine for meningitis B, Trumenba, a Pfizer product, costs \$345.

“Parents believe their children are susceptible to this terrible condition, and use that fear to get parents to take action,” said Adrienne Faerber, who teaches at the Dartmouth Institute for Health Policy and Clinical Practice and researches drug marketing.

Vaccine-sellers argue their marketing isn’t capitalizing on parent concerns, or inflating the risk of contracting infection, but rather, providing fair, contextualized information. “Companies themselves are saying this is a rare disease — it’s uncommon, it’s unpredictable and yet it’s devastating,” said Sally Beatty, a Pfizer spokeswoman.

A GlaxoSmithKline representative echoed that. “The ad says, ‘go speak to your health care provider and have an informed decision,’” said Sriram Jambunathan, who heads GlaxoSmithKline’s meningococcal franchise in the United States. “We educate consumers.”

For parents, the decision whether or not to use the vaccines can be left unresolved by federal vaccination guidelines and university requirements.

The Centers for Disease Control and Prevention recommends doctors consider the meningitis B vaccine for people ages 16 to 23 on an individual basis. This recommendation is not as universal as the approach applied to illnesses such as measles or human papillomavirus vaccines or even the “quadrivalent” vaccine for

meningitis A, C, W and Y, which all students must get.

Meanwhile, insurers generally cover it as part of preventive care. Still, most universities don't require the vaccine, but simply list it as an option for families to consider.

Those messages can confuse parents.

“There is perhaps, with all the marketing and advertising, some bending of the truth, and perhaps a little bit of creating fear — again recognizing that meningitis disease is a very severe disease,” said William Moss, a professor at Johns Hopkins Bloomberg School of Public Health who specializes in vaccines and global children's health. The risk, he said, “is not a large enough problem to warrant routine vaccination.”

In recent years, drugmakers' interests have begun to expand beyond the relatively cheap, broadly used immunizations, such as a tetanus shot or the children's hepatitis A vaccine, to new and pricier ones for less common infections.

These newer treatments have the potential to transform the business of vaccine-making, long a less lucrative side of drug production, into a cash cow. Bexsero and its competitor, Trumenba, offer clues into how this scenario plays out.

Both vaccines received accelerated approval by the Food and Drug Administration in 2015 and 2014 respectively, after the two university outbreaks.

Meningitis B does not spread readily from person to person; it generally requires close physical contact like kissing or sharing utensils. It can be fatal, but is treatable with antibiotics if caught early. The standard meningitis vaccine doesn't prevent it.

After new cases kept appearing at Princeton and the University of California Santa Barbara after several months, the CDC arranged for an emergency import of Bexsero, and all students on those campuses received the shots. There were no more cases.

Now the drugmakers are urging all parents to be proactive. Last year, Pfizer put more than \$21 million into paid advertisements for the vaccine, according to

figures kept by Kantar Media, a firm that tracks multimedia advertising. GlaxoSmithKline put in just about \$79,000.

Those figures don't account for other efforts such as meningitis awareness and social media campaigns done by GlaxoSmithKline, a "substantial effort" that "wasn't cheap," said Mr. Jambunathan of GlaxoSmithKline. They also don't include Pfizer's investments in similar activities.

Already, industry analysts forecast Bexsero could bring in global revenue north of \$1 billion per year by 2022, compared with about \$528 million last year. Trumenba is expected to earn Pfizer \$820 million by that time. It was estimated to have brought in about \$88 million globally in 2016.

But the industry's gain may come at the expense of efficient health care spending and inflated consumer concern. "As a mom, I would say, if my kid got this disease, and I had had the opportunity to prevent it, and I didn't, I would kill myself," said Martha Arden, a practicing physician and the medical director Mount Sinai Adolescent Health Center's school-based health program in New York City "But the odds are small. It's much more dangerous to send a kid out skiing than it is to not give the vaccine."

Mr. Jambunathan said the price tag is warranted given the resources needed to bring Bexsero to market. Similar vaccines, he added, are comparably priced, and firms won't necessarily want to develop these pharmaceuticals if they aren't sure they can recoup their investment.

For parents who opt for the vaccines there are caveats. Researchers don't know, for instance, how long its immunity lasts. Many noted it also doesn't cover all strains of the infection, so its efficacy in the United States is uncertain. (There are different strains in different parts of the world.)

And the costs of vaccination, while substantial, aren't immediately felt by consumers because the treatment usually is covered without out-of-pocket expenses. But they may contribute to increasing insurance premium costs.

In a world where there aren't enough health care dollars to address every possible harm, many experts noted, other health concerns might be a smarter

investment. Still, the price tag may not cause parents to blink. “When it’s your child or one case you know about, suddenly the health economic arguments feel difficult to have,” Mr. Jambunathan said.

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