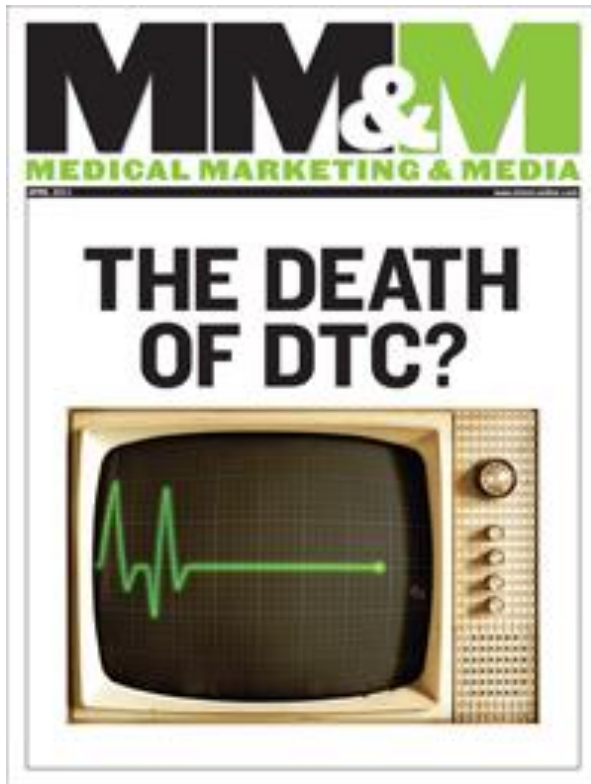


2011 ***DTC***
STUDY

Now in it's 14th year!

Prevention Men'sHealth. Women'sHealth.

DTC at the Crossroads?



The New York Times
The Opinion Pages

WORLD U.S. N.Y. / REGION BUSINESS TECHNOLOGY SCIENCE HEALTH SPORTS

A one-of-a-kind musical collective from over 20 countries

The Silk Road with Yo-Yo Ma, c
Sat, June 4 at 8:00

The Conscience of a Liberal

PAUL KRUGMAN

April 20, 2011, 6:31 PM

Patients Are Not Consumers

I keep encountering discussions of health economics in which patients are referred to as “consumers”, after which the usual mantra of freedom of choice is invoked on behalf of voucherizing Medicare, or whatever.

We used to know better than this.

Medical care is an area in which crucial decisions — life and death decisions — must be made; yet making those decisions intelligently requires a vast amount of specialized knowledge; and often those decisions must also be made under conditions in which the patient is incapacitated, under severe stress, or needs action immediately, with no time for discussion, let alone comparison shopping.

That’s why we have medical ethics. That’s why doctors have traditionally both been viewed as something special and been expected to behave according to higher standards than the average professional. There’s a reason we have TV series about heroic doctors, while we don’t have TV series about heroic middle managers or heroic economists.

The idea that all this can be reduced to money — that doctors are just people selling services to consumers of health care — is, well, sickening. And the prevalence of this kind of language is a sign that something has gone very

ECONOMIC AND BUDGET ISSUE BRIEF
CBO
A series of issue summaries from the Congressional Budget Office
MAY 2011

Potential Effects of a Ban on Direct-to-Consumer Advertising of New Prescription Drugs

Summary and Introduction

Direct-to-consumer (DTC) advertising of prescription drugs has elicited various concerns. One concern is that DTC advertising may add to spending on drugs by consumers, insurers, and the federal government without providing enough benefits to justify that spending; specifically, some observers worry that DTC advertising encourages broader use of certain drugs than their health benefits warrant. Another concern is that DTC advertising for newly approved drugs may lead people to use drugs whose potential risks were not fully discovered during the drug approval process. Those concerns have spurred recent proposals for a moratorium on advertising brand-name prescription drugs to consumers during the first two years following a drug’s approval by the Food and Drug Administration (FDA). Although such a moratorium would allow more time for safety concerns about a new drug to be revealed, it would entail health risks of its own, because some individuals who would benefit from a new drug might be unaware of its availability in the absence of consumer advertising.

A moratorium on direct-to-consumer advertising might affect other marketing strategies used by drug manufacturers and the quantities and prices of drugs sold. To highlight some of those effects, this Congressional Budget Office (CBO) issue brief draws on data documenting DTC advertising and other promotional activities used by pharmaceutical producers as well as academic analyses of how advertising has affected the market for drugs. The expected effects of a moratorium include the following:

- Drug manufacturers would probably expand their marketing to physicians to substitute for at least some of the banned advertising to consumers.
- The number of prescriptions filled would probably decrease for some drugs. For other drugs, the number of prescriptions might be little changed, owing both to the likely substitution of other types of promotions

and to the various other factors that influence a drug’s reach in the prescription drug market.

- Any change in prescription drug prices would depend on changes in demand; to the extent that the effects on demand are likely to be limited, so too are the effects on prices.

In addition, a moratorium could affect public health. That impact is uncertain, depending on whether the benefits of fewer unexpected adverse health events were larger than the health costs of possibly reduced use of new and effective drugs.

Use of and Concerns About DTC Advertising



Consumer advertising of prescription drugs and the economic and health concerns that surround it have been an issue since at least the late 1990s, when pharmaceutical manufacturers intensified their efforts to promote prescription drugs directly to consumers. Until then, drug makers had focused their marketing efforts on physicians and other health care providers.

That change came about as a result of new guidelines issued by the FDA. In 1997, the agency issued draft regulatory guidance (which was finalized two years later) that clarified the rules about the way DTC advertisements in the broadcast media present drug information. Since then, many prescription drug manufacturers have increased their purchases of television and radio air time, as well as newspaper and magazine advertising space, to make consumers aware of drug makers’ products and to encourage consumers to visit their doctors for more information.

In 2008, spending on DTC advertising totaled \$4.7 billion, nearly one-fourth of pharmaceutical manufacturers’ expenditures for all promotional activities (see Figure 1).

Economic: Patients Are Consumers

% who say they have done the following in the past 12 months to reduce their health care costs

	<u>2009</u>	<u>2010</u>	<u>2011</u>	
Switched to a generic prescription or OTC medicine	32	32	36	
Canceled or delayed a Doctor's appointment	27	27	22	
Switched to a Doctor or pharmacy that take your insurance	20	23	21	
Sought assistance in getting prescription meds at a lower cost	18	23	22	
Stopped taking a prescription medicine	16	18	15	
Skipped doses or cut pills in half	15	17	16	
Switched to a less expensive health insurance plan	12	13	11	



Modest Increase in Prescription Drug Sales in 2010...

Big increase in generic drug spending

Sales up: 2010 - 2.3%

2009 - 5.1%

2008 - 1.8%



Spending on Generic drugs increased 21.7% in 2010



Spending on brands declined .7% in 2010 vs. 7.6% decline in 2009

All dispensed medicines

- Generic now accounts for 78% of all retail prescriptions dispensed
 - Up 3 points from 2009
 - It was 57% in 2004



Fewer Physician Office Visits

and new therapy starts lead to subdued use of medicines by patients

- Doctor visits were down **4.2%** in 2010
- The number of new patients starting new treatments for chronic conditions declined by **3.4** million



“Last year, we saw the convergence of key dynamics leading to diminished growth in drug spending, which included the greater use of generics, loss of patent protection for major branded products, slower demand and less spending on new therapies”.

*Micheal Klienrock, Director
Research & Development, IMS
Institute for Healthcare Informatics*

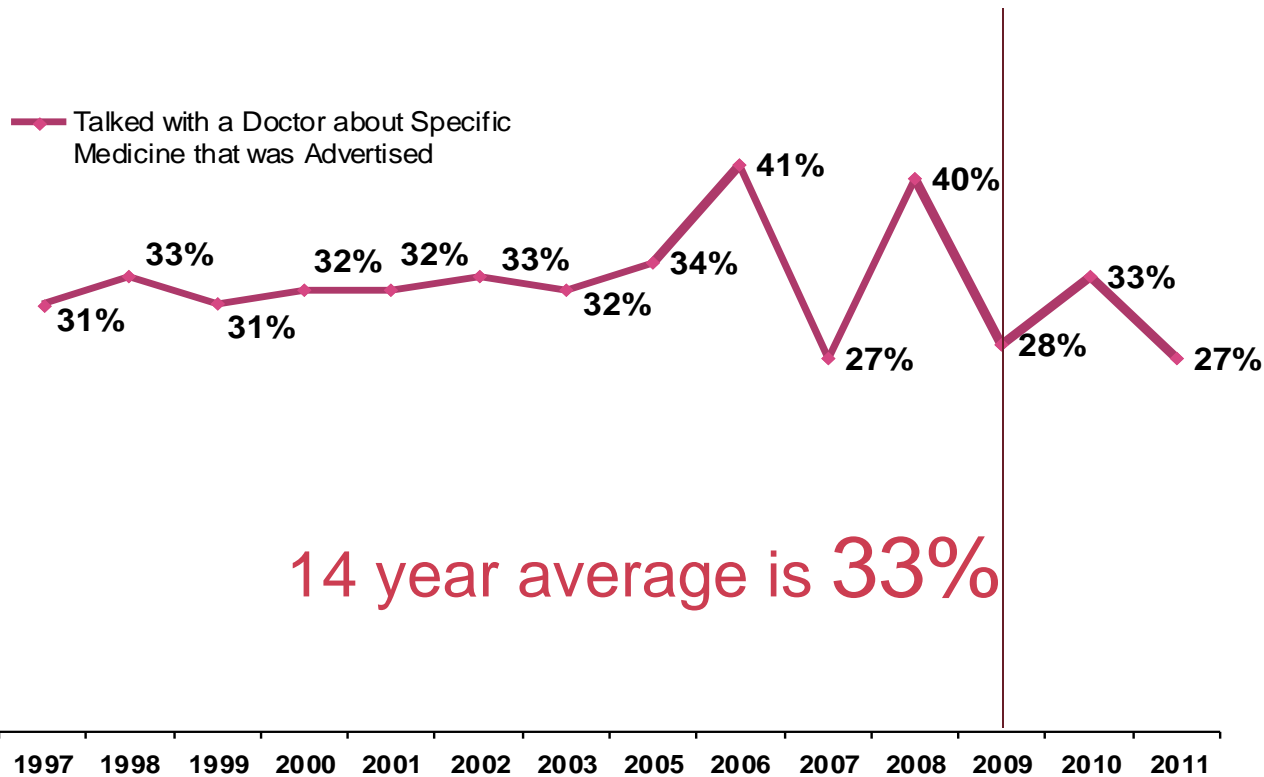
Today's Presentation

- State of DTC (tracking data)
- Online and Social Media
 - You know where they go, but what sites are really useful for prescription drug information?
- TV, Magazine and Online DTC
- DTC Influence
 - Online search
 - Coupons
- Health Tech



2 of the Past 3 years are Below the Long Running Avg. Seeing Any DTC Ads Talk about Meds with Doctors

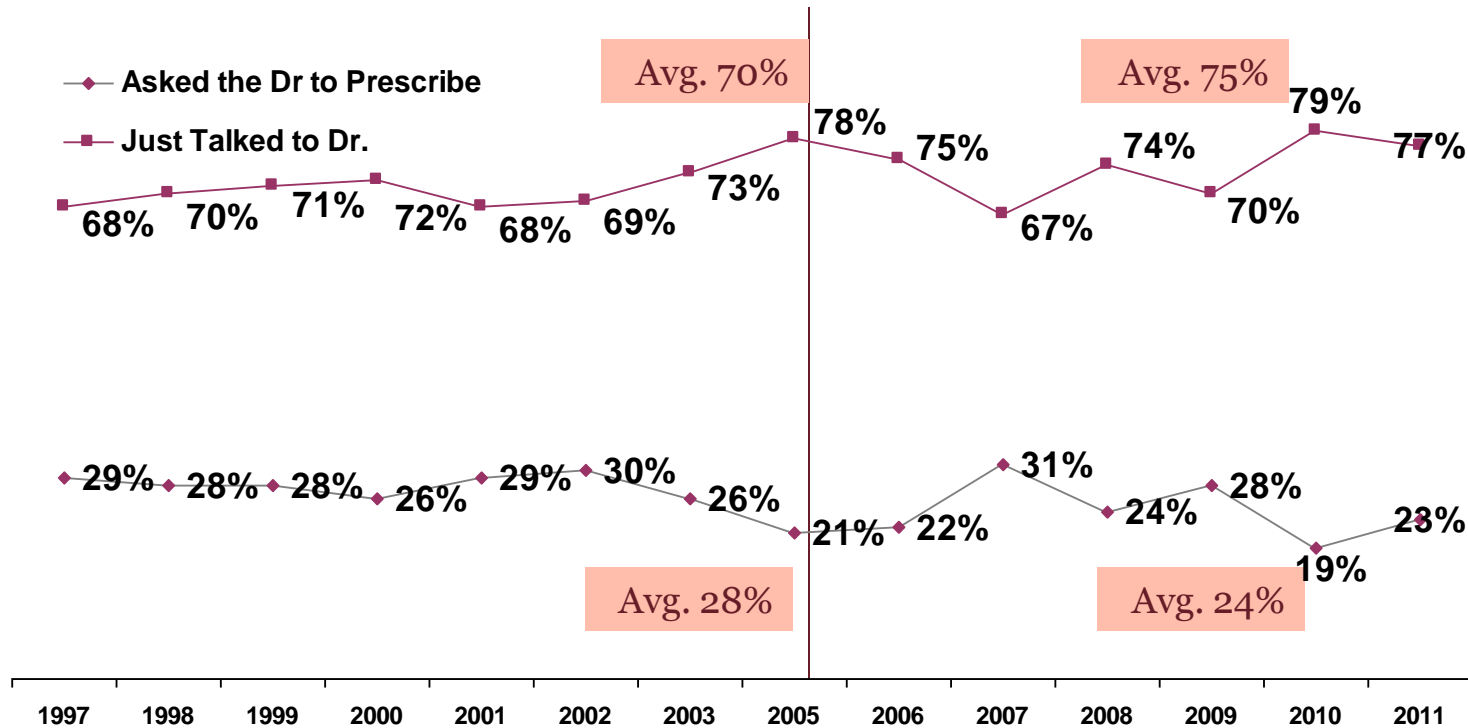
Based on % who say they have talked with a doctor about the specific medicine they saw or heard advertised



Ask to Prescribe Vs. Just Talk with Doctor

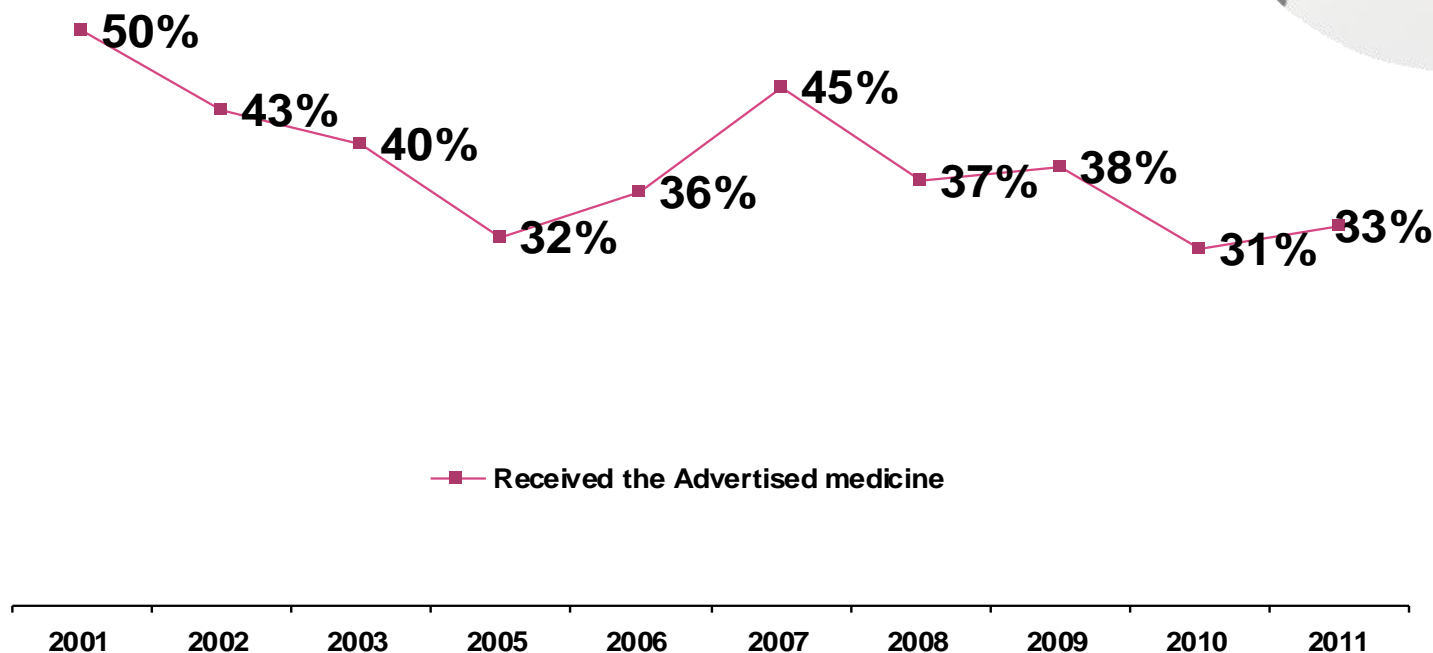
Increase in Talk vs. Ask started in 2005

Based on % who say they have talked with a doctor as a result of seeing a DTC ad



Decline in Receiving the Advertised Drug Since 2007

Based on % who say they have talked with a doctor about the specific medicine they saw or heard advertised



—■— Received the Advertised medicine



In The Past 3 Years...

*Slightly fewer people who saw an ad - had a conversation
Fewer people who asked - received the drug*

Average 2006-2008 (36%) Average 2009-2011 (29%)

72% / 75%

Just talked about the medicine



25% / 22%

Received the prescription for the advertised medicine

26% / 23%

Asked the doctor to prescribe



81% / 67%

Received the prescription for the advertised medicine



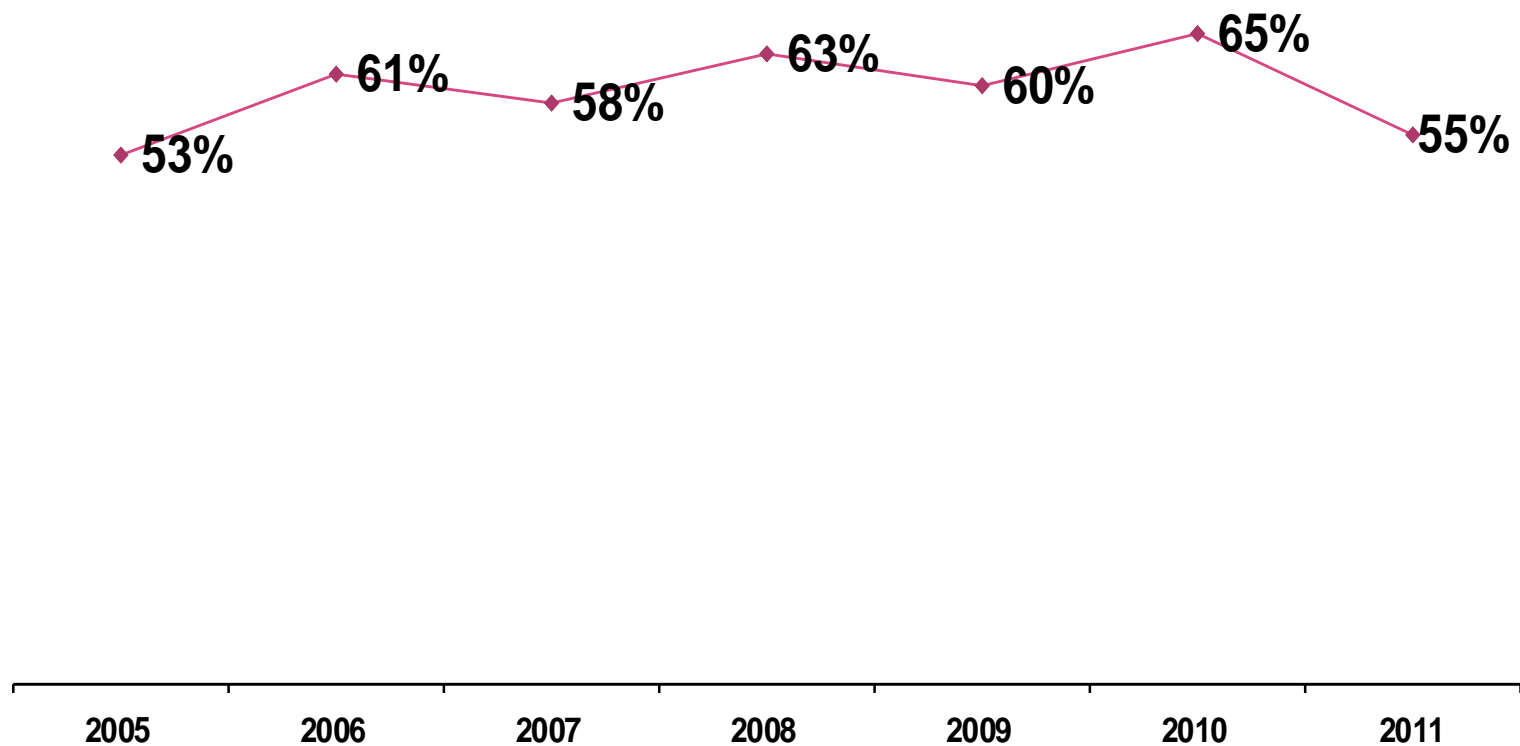
Based on % of people who talked with their doctor about an advertised medicine. Average based on 2006, 2007, 2008, 2009, 2010, 2011 data.



Online & Social Media Dive

Online Searching Decreases General Health Care Topics

% who say, they have gone online for information on...



Base: Online population

2011 *DTC* STUDY

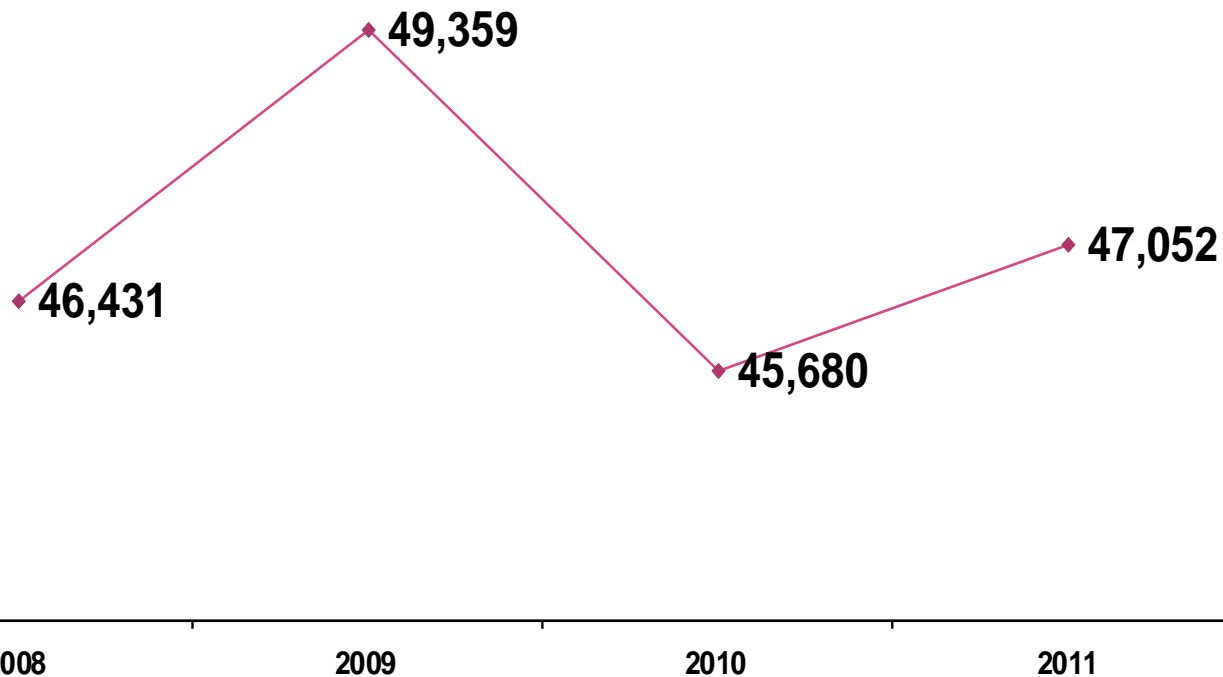
Prevention

Men'sHealth

Women'sHealth



Looked Online MARS OTC/DTC Study Health/Medical information past 30 days



Source: MARS 2011, 2010, 2009,
2008 OTC/DTC Study

2011 *DTC* STUDY

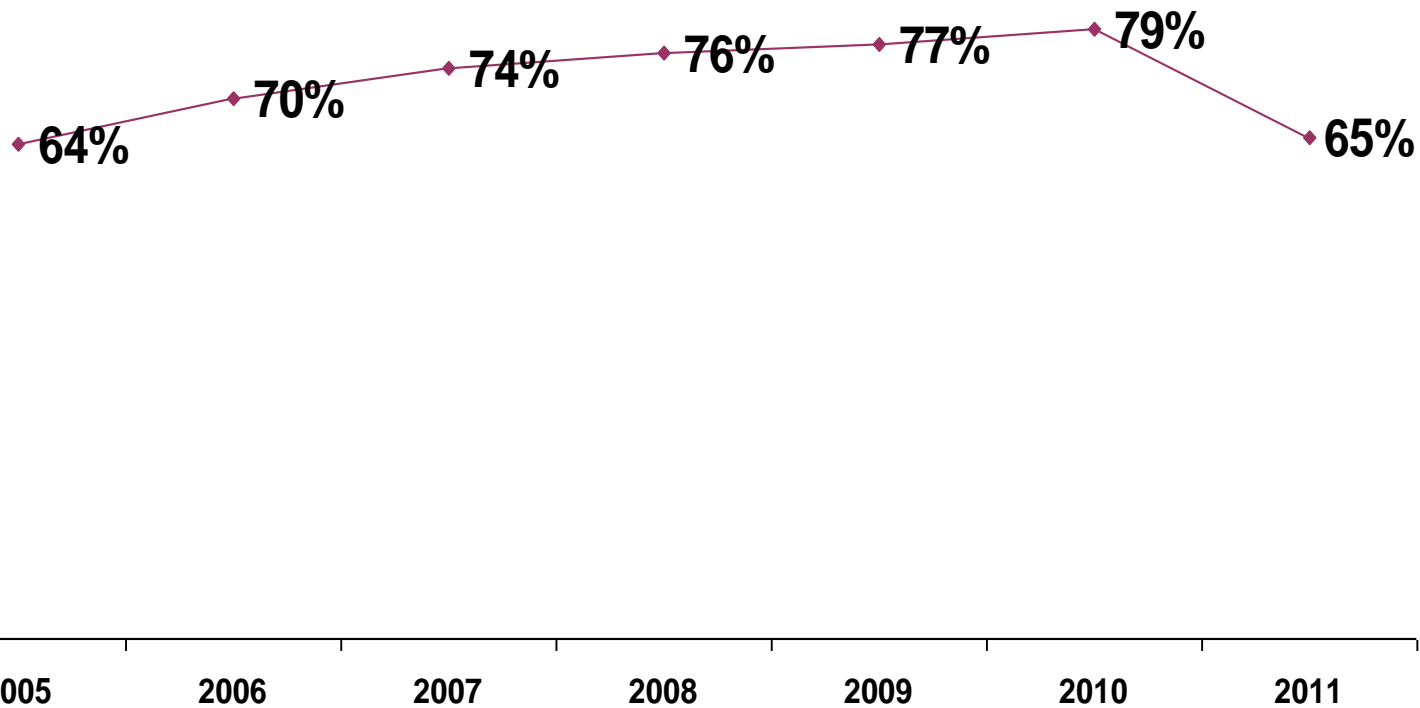
Prevention Men'sHealth Women'sHealth



Online Searching Decreases

A specific medical condition or illness

% who say, they have gone online for information on...



Base: Online population

2011 DTC STUDY

Prevention

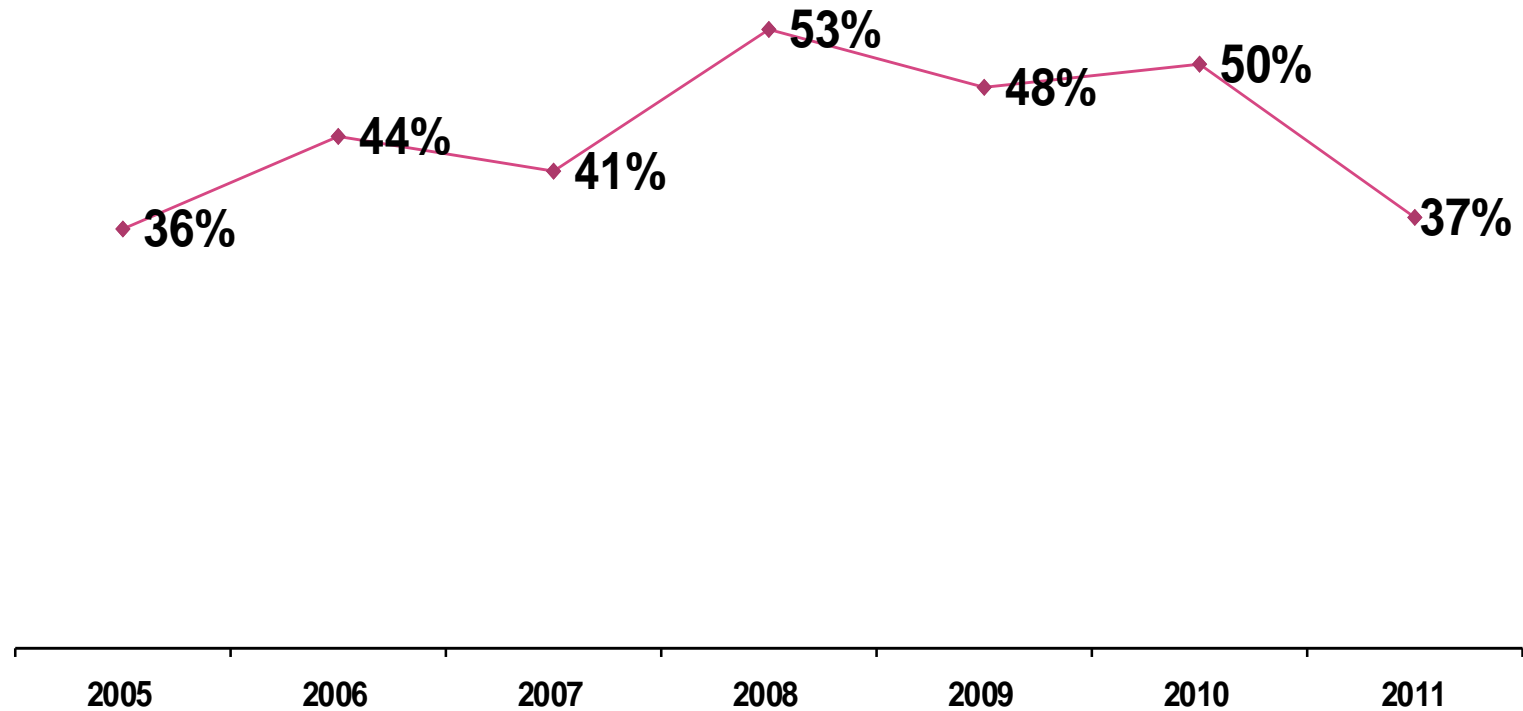
Men'sHealth

Women'sHealth



Online Searching Decreases Prescription medicines

% who say, they have gone online for information on...



Base: Online population

2011 DTC STUDY

Prevention

Men'sHealth

Women'sHealth



Prescription Medicines

Decreases are in-line with fewer new users looking for info

% who say they looked for the following type of information online

	<u>2009</u>	<u>2010</u>	<u>2011</u>	
Serious risks associated with the medicine	86%	80%	80%	↓
Non-serious side effects	68	73	75	↑
Benefits of taking the medicine	82	78	74	↓
How the medicine treats the condition	81	76	70	↓
Interactions with other medicines	65	59	67	
Who should not take the medicine (pregnant women)	57	54	59	
Medicines effectiveness compared to another medicine	60	54	55	↓

Base: Online population

2011 DTC STUDY

Prevention

Men'sHealth

Women'sHealth



Social Media in Context

63% view social networking sites



14% say they used social media for information about prescription medicine



Base: Online population

2011 DTC STUDY

Prevention

Men'sHealth

Women'sHealth

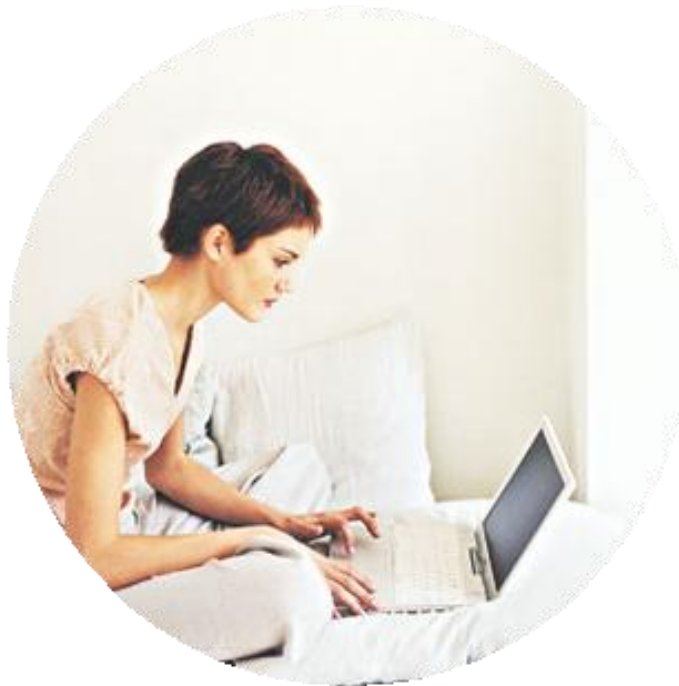


State of Social Media & Prescription Medicines

Chicken or the Egg?



Consumers say social media is about information on the medical condition and possible treatments



Information about a medical condition

2011

56%

Information about alternative treatments

33

Reviews/ranks of doctors

32

Reviews/ranks of prescription medicines

25

Reviews/ranks of hospitals

21



Social media counts from “People like me”

% Who say they would be very or somewhat interested in reading comments and posts from...

<u>Interested to hear from</u>	<u>2010</u>	<u>2011</u>	<u>Point Diff.</u>
Other people who share the same condition	76%	83%	+7
Doctors or health care providers	73	75	+2
Friends/family	66	69	+3
Health insurance companies	38	56	+18
Pharmaceutical companies	41	46	+5

Base: Use social media for health info

2011 DTC STUDY

Prevention

Men'sHealth

Women'sHealth



Acceptable Posts from Pharmaceutical Companies

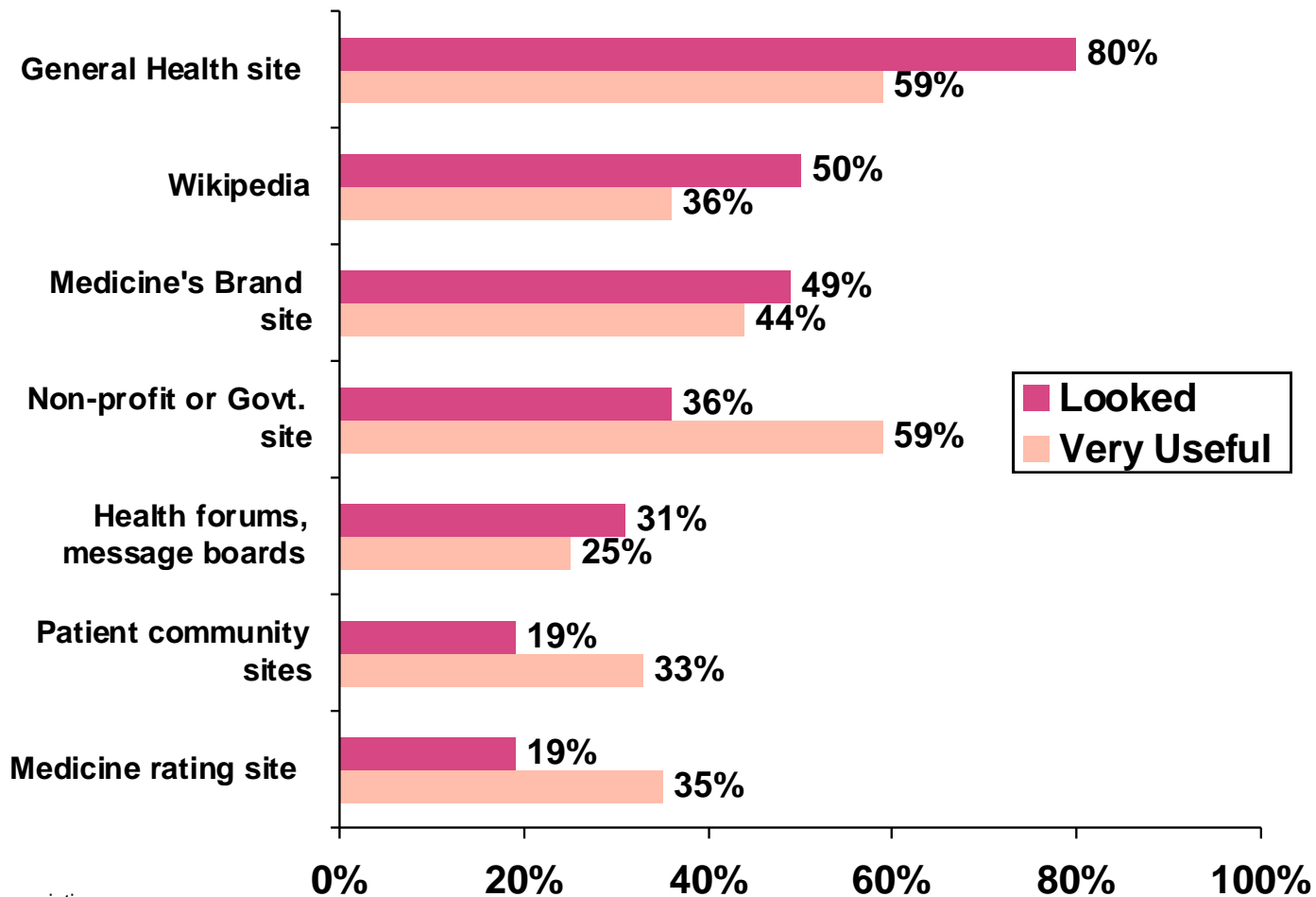
Safety of a prescription medicine	71%
Risks	60
Effectiveness	60
Programs to obtain free medicine or lower my cost	57
Information about a medical condition	56



Based on those interested in reading posts by pharmaceutical companies

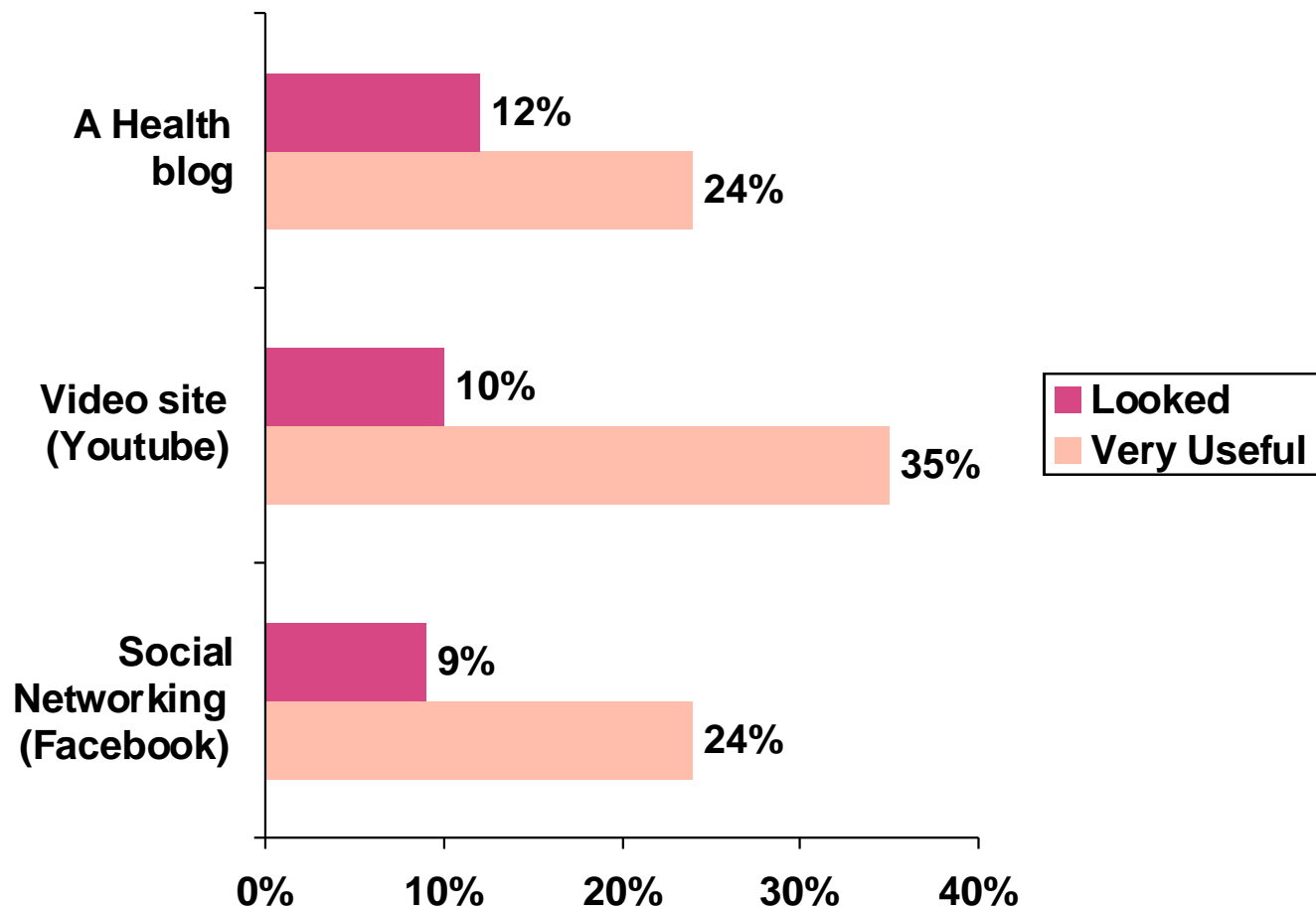


Most Useful Sites for Prescription Medicines



Base: go online for prescription medicine information

Most Useful Sites for Prescription Medicines



Base: go online for prescription medicine information

2011 DTC STUDY

Prevention

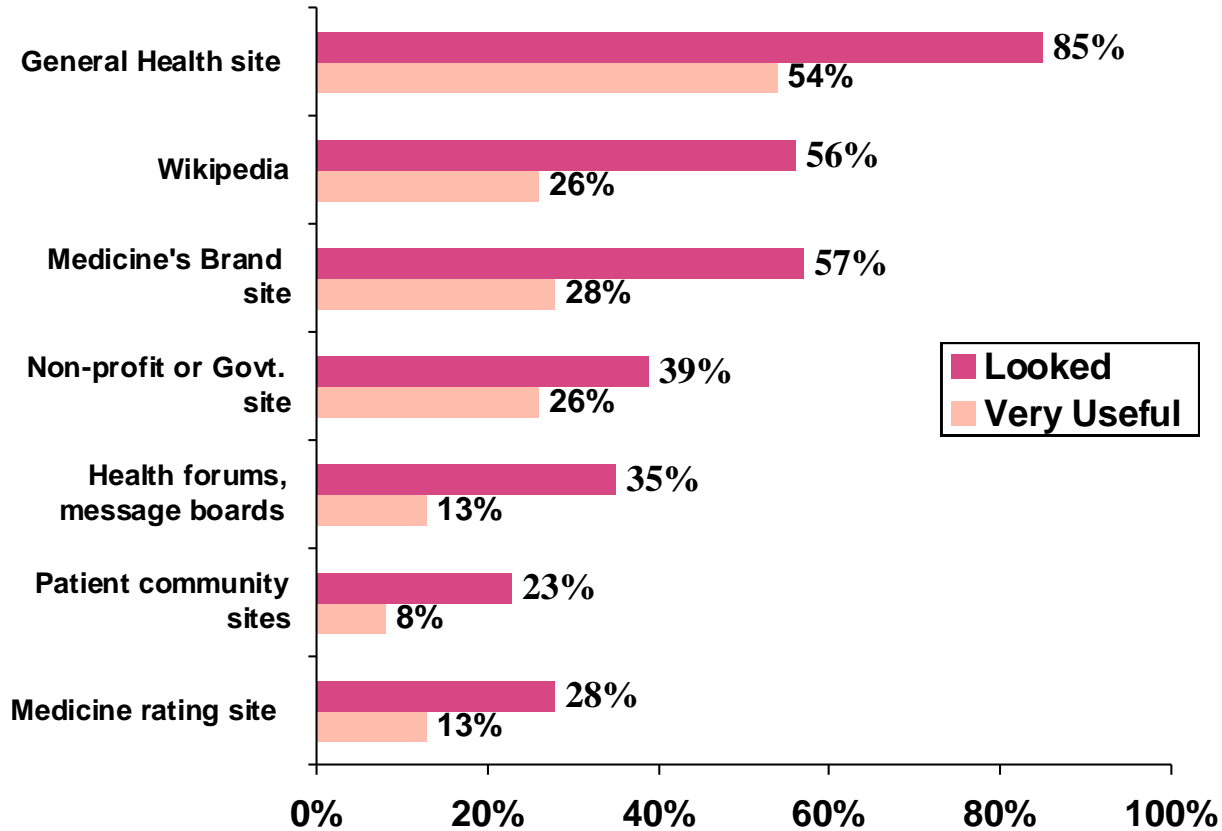
Men'sHealth

Women'sHealth



Most Useful Sites for Prescription Medicines

See ad and talked with the Doctor



Based on seen ad and talked to Dr.

2011 DTC STUDY

Prevention

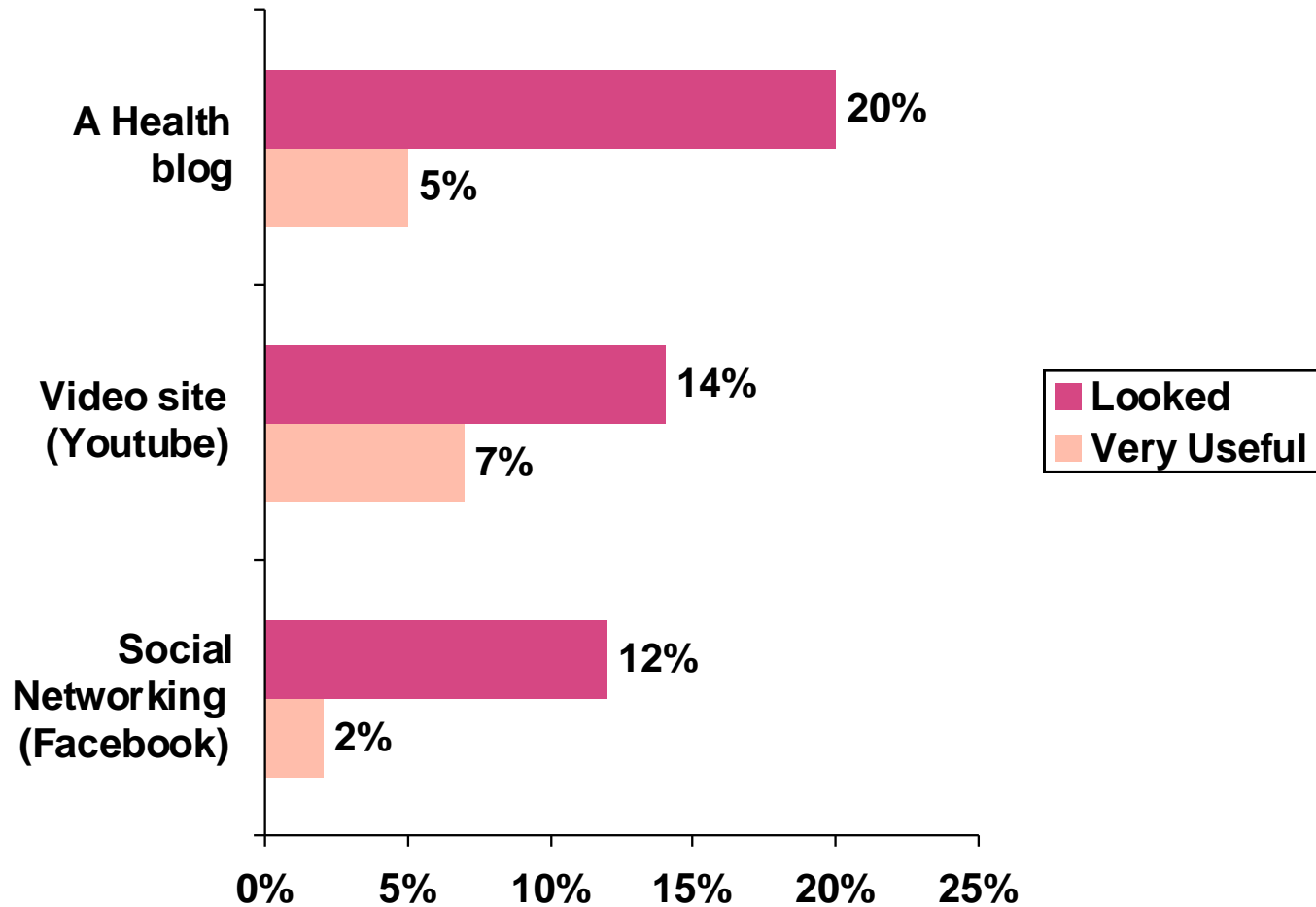
Men'sHealth

Women'sHealth



Most Useful Sites for Prescription Medicines

See ad and talked with the Doctor



Based on seen ad and talked to Dr.

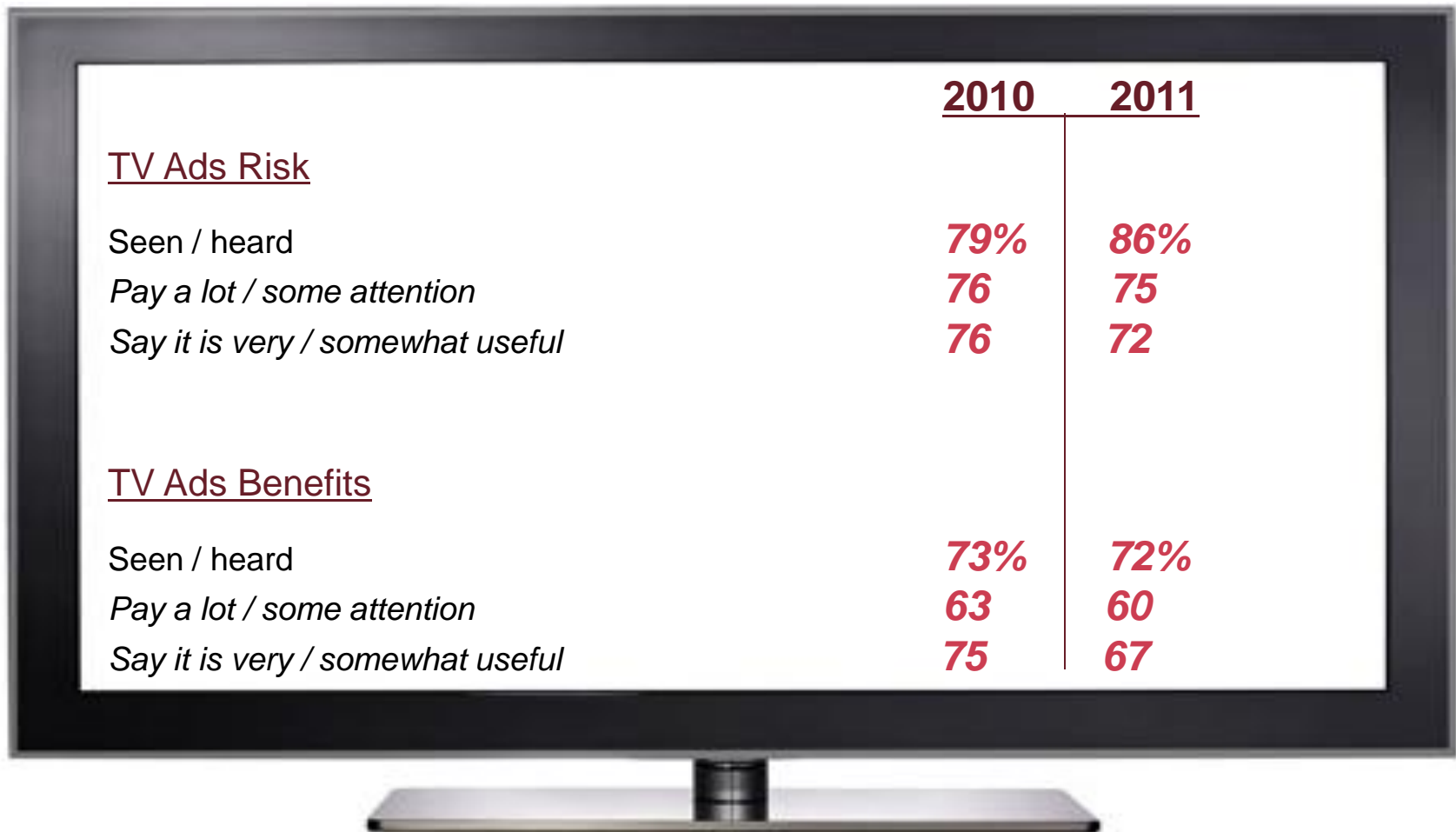
2011 DTC STUDY

Prevention Men'sHealth Women'sHealth ● ● ● ●

TV, Magazine & Online DTC

Risk/Benefit Info TV Ads

some drop in utility



	<u>2010</u>	<u>2011</u>
<u>TV Ads Risk</u>		
Seen / heard	79%	86%
<i>Pay a lot / some attention</i>	76	75
<i>Say it is very / somewhat useful</i>	76	72
<u>TV Ads Benefits</u>		
Seen / heard	73%	72%
<i>Pay a lot / some attention</i>	63	60
<i>Say it is very / somewhat useful</i>	75	67



Risk/Benefit Info Magazine Ads

Some drop in attention and utility

Magazine Ads Risk

Seen / heard

Pay a lot / some attention

Say it is very / somewhat useful

Magazine Ads Benefits

Seen / heard

Pay a lot / some attention

Say it is very / somewhat useful



	2010	2011
Seen / heard	48%	49%
<i>Pay a lot / some attention</i>	66	59
<i>Say it is very / somewhat useful</i>	75	65
Seen / heard	52%	48%
<i>Pay a lot / some attention</i>	63	56
<i>Say it is very / somewhat useful</i>	76	64



Risk/Benefit Info in Online Ads

Improvement in Balance of Risk/Benefit

(63% saw an online DTC ad in 2010, 33% in 2011)

	**2010	2011
<u>Online Ads Risk</u>		
Seen / heard	37%	58%
<i>Pay a lot / some attention</i>	69	70
<i>Say it is very / somewhat useful</i>	75	78
<u>Online Ads Benefits</u>		
Seen / heard	54%	66%
<i>Pay a lot / some attention</i>	57	61
<i>Say it is very / somewhat useful</i>	76	67

** Used screen question in 2010 that described different types of online ads

Base: Online population

2011 DTC STUDY

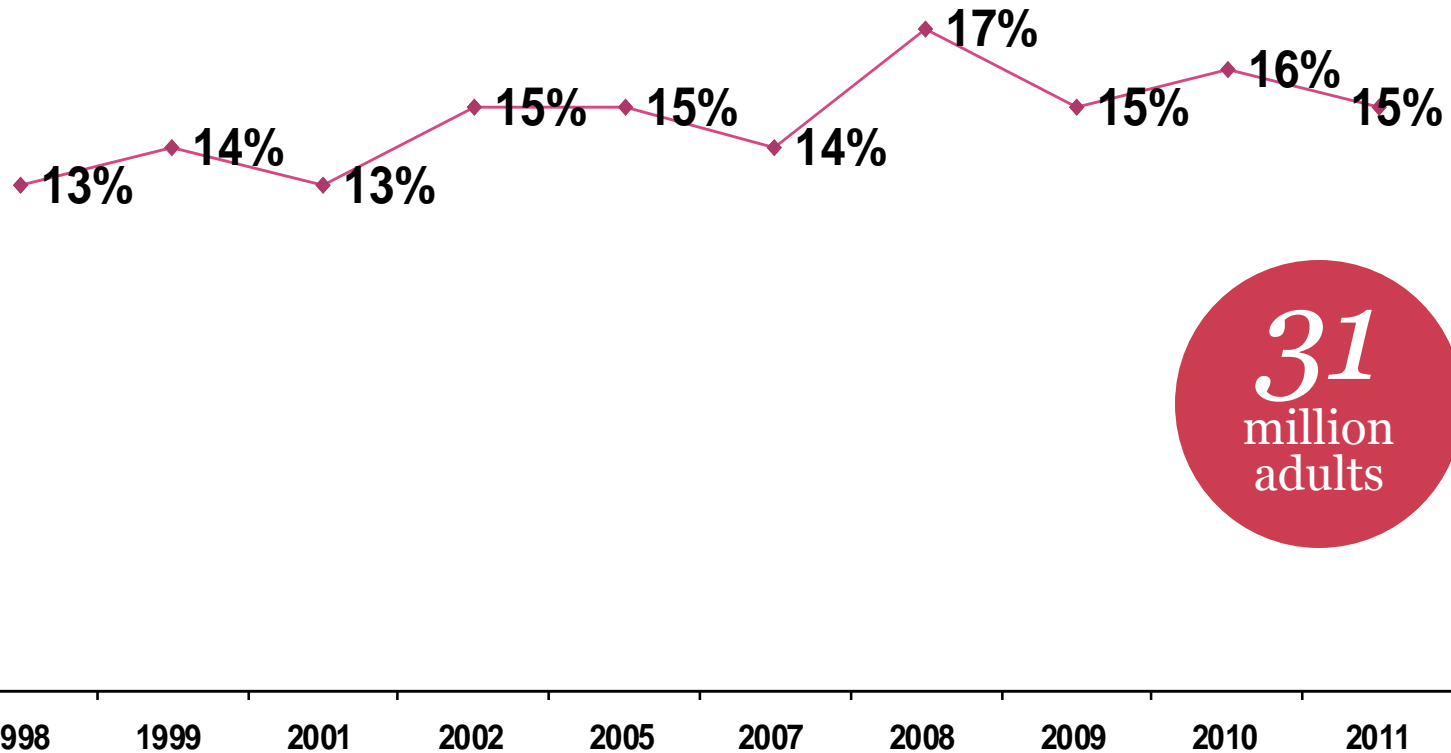
Prevention Men'sHealth Women'sHealth



DTC Influences

DTC Stimulates New Patient Discussions

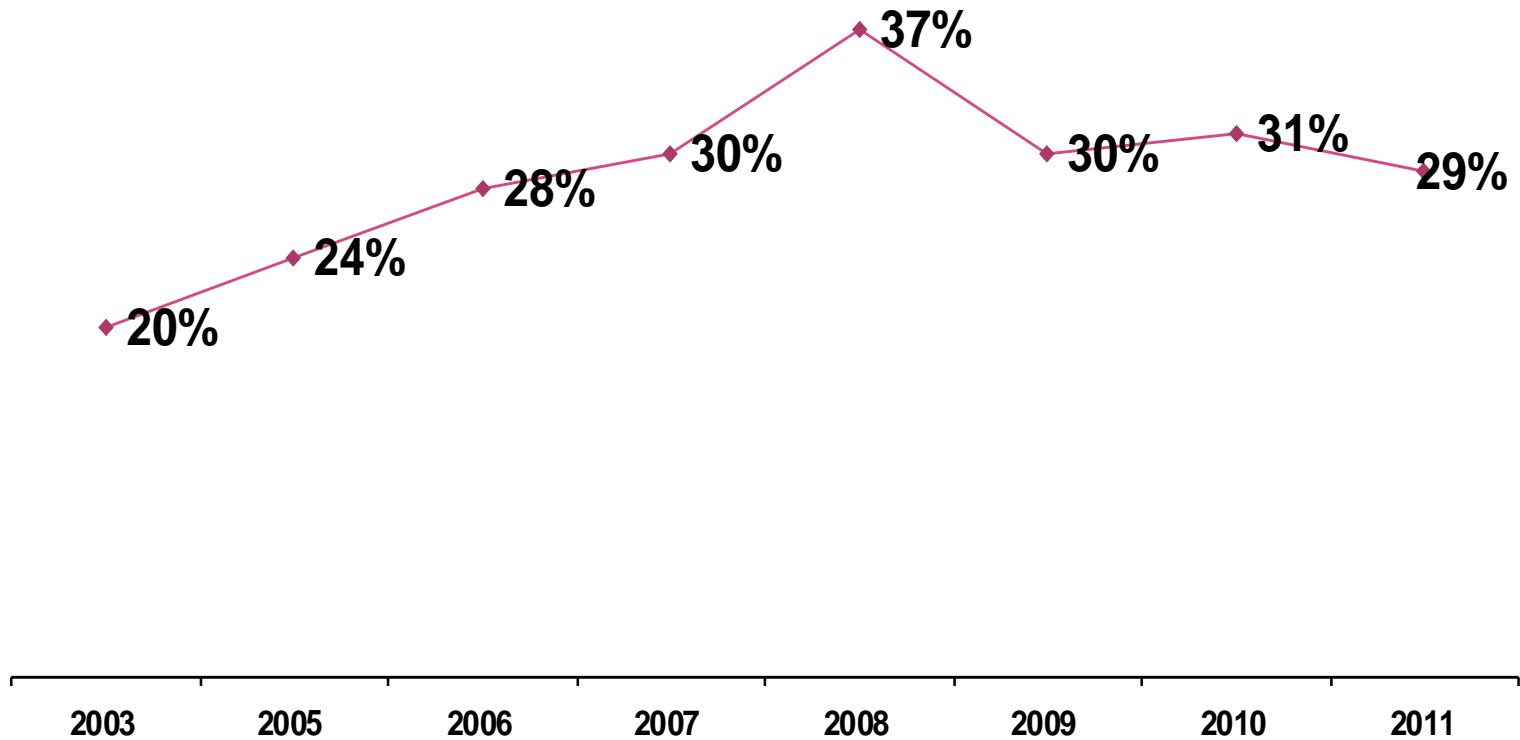
% who say, as a result of seeing a DTC ad, they talked with a Doctor about a medical condition they had not talked to a Doctor about before



31
million
adults

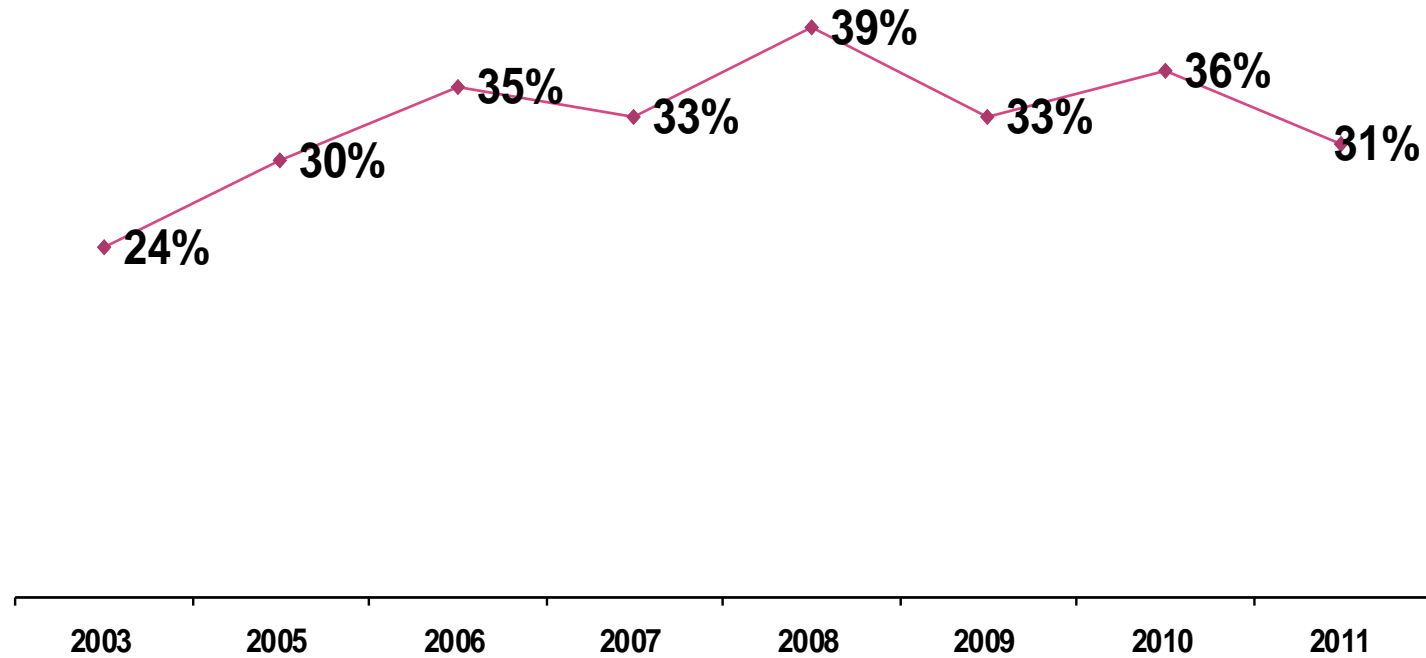
DTC Stimulates Info Seeking On medicines you currently take

% who say, they look for additional information about a prescription drug you were taking



DTC Stimulates Info Seeking On medicines your family/friends take

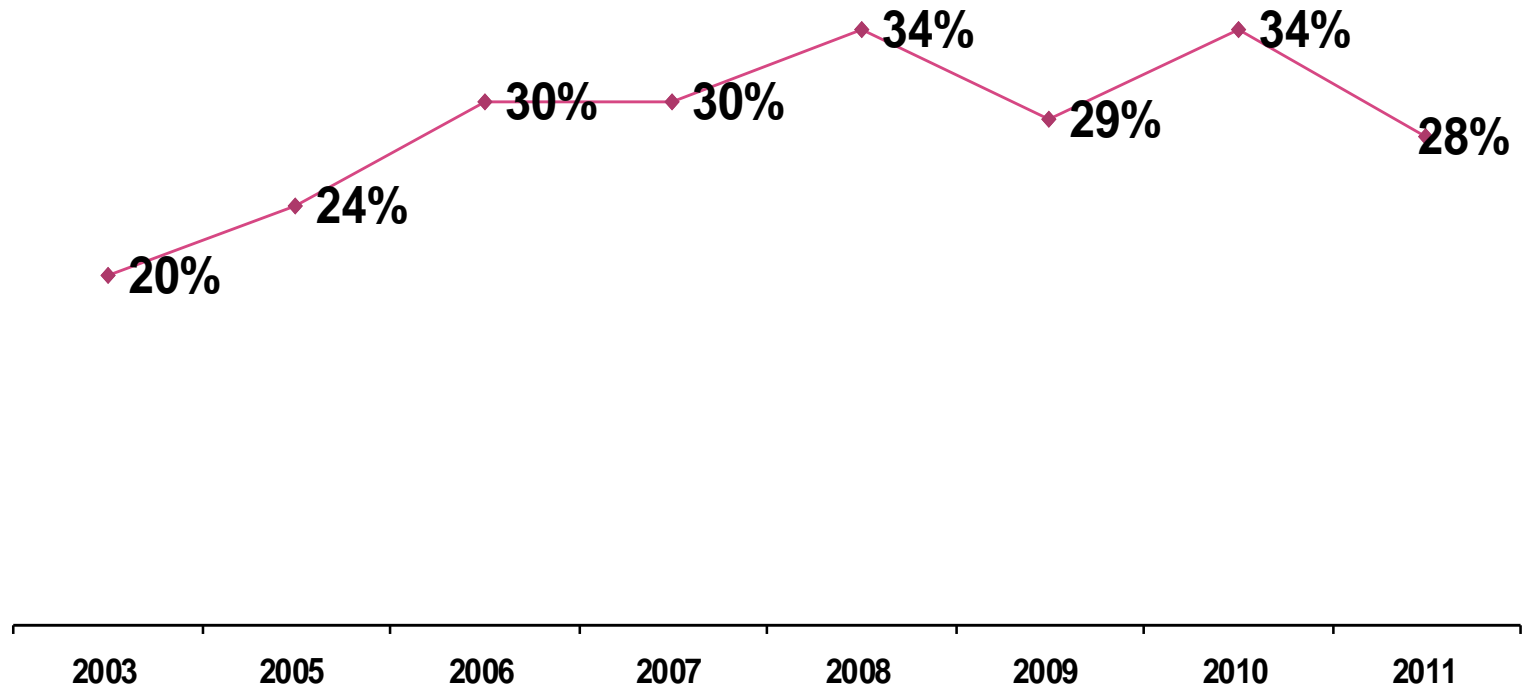
% who say, they look for additional information about a prescription drug that a family member/friend was taking



DTC Stimulates Info Seeking

For information about a condition the medicine treats

% who say, they look for information about a condition an advertised medicine treats



DTC Doctor Discussions Other Outcomes



% who say as a result of their discussion about an advertised medicine, they also talked about...

	<u>2010</u>	<u>2011</u>	<u>Pt. Diff</u>
Talked about health & lifestyle changes	73 %	78%	+ 5
Talked about generic alternative	56	56	—
Talked about non-prescription alternatives (OTC)	43%	49%	+ 6
Received a brochure or was recommended to a website	39	42	+ 3
Received a sample of medicine	39	39	—



Coupons for Prescription Medicines



Ever redeemed **16%**
Redeemed in the last 12 months **10**

Influence on safety

83% say there is no difference in the perceived safety of a medicine that offers a coupon for a discount vs. others that do not.



Health Future Tech



High Consumer Interest For... Digital records to DNA tests

% who say they are very or somewhat interested in...

2011

Having digital medical records you can use with different doctors

59%

DNA tests to determine conditions/diseases you are susceptible to

57

Medicines that are customized to your DNA

56

At-home tests to diagnose non life threatening conditions/diseases

49



Consumer Interest For Managing Their Prescriptions Online Programs or Apps

% who say this is very valuable to them in managing their prescription medicines...

	<u>2011</u>
A program that checks your medicines for negative interactions with each other	40%
Program that tells you about the risks of a medicine	38
News about the medicines you are taking	36
Program that automatically refills your prescription	34
A reminder to fill a prescription	31
A reminder to take your medicine	23



Mobile Health

Use your cell phone to look up health/medical information

2011

12%

Have an App that tracks or manages your health

7



Based on those with cell phones

2011 DTC STUDY

Prevention

Men'sHealth.

Women'sHealth



Summary of Findings

- In the past three years
 - Slightly fewer people who saw an ad and talked with their doctor.
 - Fewer people who asked for a prescription – got it.
- Since 2005 we have seen an increase talking vs. asking for the medicine from DTC ads.
- Decline in people going online for health and prescription drug information.
- Most useful web sites for prescription medicine info
 - Health & wellness
 - Wikipedia
 - The brand site
 - Non-profit or government site
- Social media usage for prescription medicine today is not very big – 14%
 - More representative of Facebook, etc vs. patient community sites



Is DTC Really Less Effective?

Or is it feeling the effects of market forces?

Fewer conversations based on ads



Drivers?

Economic
Brands off patent
Ads

Fewer patients who ask for the advertised drug get it



Insurance formulary
Co payments
Economic
Ads



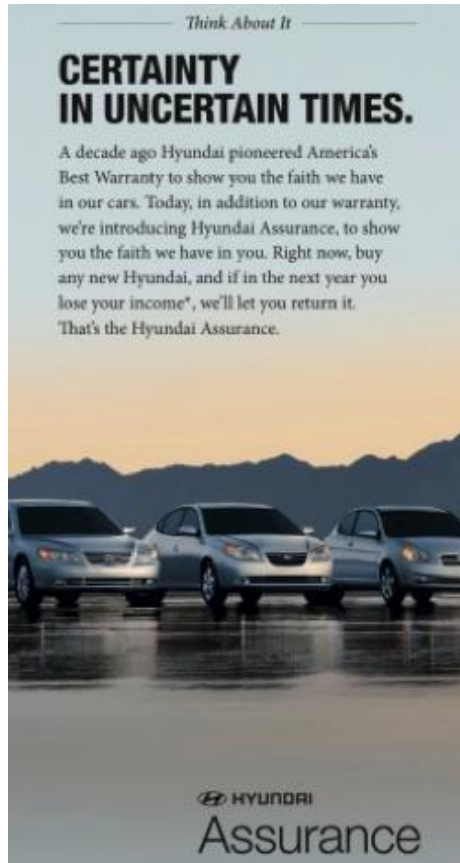
In this era of decreased sales for branded medicines

Like it or not...The patient is a consumer

- DTC ad influence is stable, however, it is subject to economic conditions, pipeline issues, insurance issues and patient “trade out” behaviors.
- Hypothesis: IMS reported drop in new patients seeking treatments could mean DTC’s value in driving new patients to the doctor is even more important than in the past.



Opportunity for a Pharma Assurance Program?



Hyundai Assurance Program

Give buyers some peace of mind that if they lose their jobs during their first year of ownership, they won't have to pay back the full amount owed on their cars.



Get Them to Your Site

If Wikipedia is useful there is a big opportunity for Pharma

- Consumers see the value of your brand sites
 - Promote your site more often
 - Manage my prescription programs & Apps
 - Expand your site to be a resource to the patient beyond your medicines



Cary Silvers
Director of Consumer Insights

Thank You!

Methodology

Direct to Consumer Advertising Survey, Wave 14

Summary 2011

The Direct to Consumer Advertising Survey, obtained telephone interviews with a nationally representative sample of 1,507 adults living in the continental United States. Telephone interviews were conducted by landline (1,203) and cell phone (304, including 141 without a landline phone). The survey was conducted by Princeton Survey Research Associates International (PSRAI). Interviews were done in English by Braun Research, Inc. from April 27-May 8, 2011. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 3.1 percentage points.

Prepared by Princeton Survey Research Associates International

