

Service Review Reprint # 56-04

Whose Data Is It Anyway?

Pharma Use of Rx Data

By **John Mack**

On Thursday, May 4, 2006, the New Hampshire Senate passed HB 1346 to ban the sale of information that identifies a specific prescriber or patient on a prescription. The measure has already passed the House and will be the first bill of its kind to become law.

According to a story in the New York Times, "A Gallup Poll commissioned by the A.M.A. in 2004 found that two-thirds of doctors surveyed were opposed to the release of such data to pharmaceutical representatives, and that 77 percent felt that an opt-out program would alleviate concerns about the release of data. Nearly a quarter of the doctors were not even aware that the pharmaceutical industry had access to such information" ("Doctors Object to Gathering of Drug Data," NYT, 5/4/2006).

Many people—even pharmaceutical marketers—feel the pain of physicians, but also agree with Robert A. Musacchio, the AMA's senior vice president for publishing and business services, who said "What we've always stressed is that physicians have rights and they can always tell pharmaceutical representatives that they don't want to be called upon."

Of course, the AMA isn't exactly a disinterested party. They make plenty of money—\$40 million a year—selling physician data to third parties (most of which ends up for use by pharmaceutical companies). While this is not prescribing data, it is useful demographic and business data that can be combined with prescribing data to segment physicians for marketing and sales purposes. Some physicians might argue that such segmentation helps pharmaceutical companies deliver the most relevant information to them.

Pharma Use of Rx Data Survey

Pharma Marketing News hosted the Pharma Use of Rx Data Survey in June, 2006 and asked respondents to weigh in on several issues regarding the collection and use of Rx data by pharmaceutical companies.

Opting Out

One issue concerns physicians' ability to opt out of such use. Just as there is a way for physicians to limit the release of AMA's data about them, physicians want the ability to opt out of having their Rx data sold for marketing purposes. This may be a better solution than a blanket law—such as the New Hampshire law—which prevents the use of Rx data outright.

When asked "Whether you agree or disagree with each of the following statements regarding physicians' right to opt-out of having their Rx data sold to pharma companies," only a minority of respondents were in favor of not allowing physicians to opt out. A majority of pharma respondents, on the other hand, were against the idea of allowing physicians to opt out for any reason (see Figure 1).

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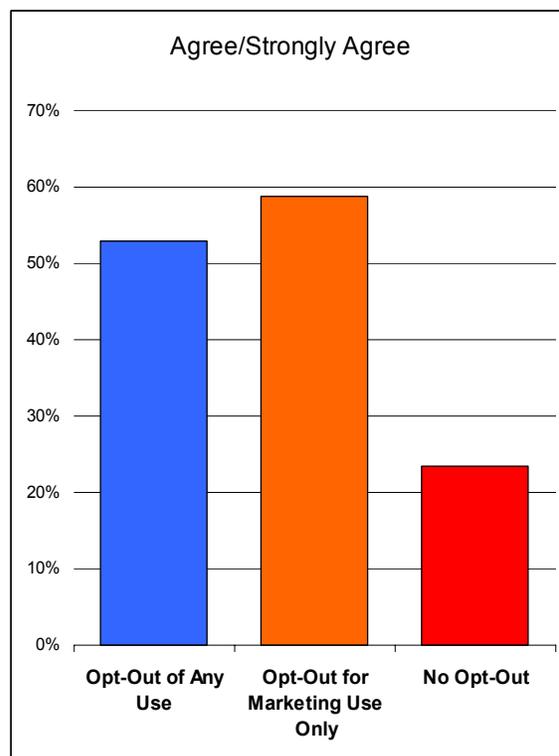


Figure 1: Opting Out (All Respondents)..

Opting In

The survey did not ask about “opting in,” but one respondent made this comment: “Under no conditions should pharmaceutical companies have access to physician-linked Rx data without the informed, written, and explicit consent of physicians.”

Does the use of Rx data by pharmaceutical companies make marketing more relevant and cost-effective?

IMS Health—the company that sells physician prescribing data to pharmaceutical companies—set forth several arguments designed to stem the rising tide against the use of physician prescribing data for pharmaceutical marketing purposes. For this purpose, IMS teamed up with the AMA to write a Pharmaceutical Executive (PE) Magazine article extolling the virtues of the AMA's Prescribing Data Restriction Program (PDRP).

One argument offered by the authors is that physician prescribing data can be useful to target specific promotions to physicians and offer them more relevant information and thereby improve pharma-physician relationships. “Prescribing data allow pharmaceutical promotion to be relevant and specific,” say the authors, “making the whole process more cost-effective (and sparing physicians from being bombarded with extraneous promotional materials and sales calls).”

Considering the poor state of this relationship, this argument may have some merit—assuming, however, that the data is actually used that way.

A majority (59%) of survey respondents agreed somewhat or strongly (24% and 35%, respectively) that prescribing data allow pharmaceutical promotion to be relevant and specific and makes the whole process more cost-effective. Pharma respondents also agreed (40% and 20%, respectively).

“The availability of targeted information means that there is less wasted effort on the part of both marketers and the physicians. No one wants to receive mailed, emailed or other information that's irrelevant: time is too valuable. Making these data available to marketers and others who need to reach specific groups of physicians makes good economic sense for everyone and helps prevent wasted time.” – Survey Respondent

Does the use of Rx data allow pharmaceutical companies to more quickly notify physicians of product recalls?

Another argument in favor of pharma use of Rx data the authors of the PE paper make is that it allows pharma companies to more quickly notify physicians of product recalls. “[Physician prescribing data can] help prioritize the release of public safety news alerts Based on physician prescribing details, companies can identify which physicians need to be contacted first in the event of a newly identified side effect or a product recall.”

PhRMA makes a similar argument: “Foreclosing all access to prescribing data could also hamper manufacturers' ability to alert physicians of important new information about medicines in a timely fashion.”

Forty-seven percent (47%) of survey respondents agreed somewhat or strongly (18% and 29%, respectively) that physician prescribing data helps manufacturers to alert physicians of important new information about medicines in a timely fashion. A clear majority (60%) of pharma respondents felt the same way with 40% agreeing strongly.

Other Uses of Rx Data

Prescribing data can and may be used for a host of other purposes, some of which do not involve pharmaceutical companies. IMS and AMA, for example, suggest the following:

Rx data reveal important facts about a physician's own practice:

- the degree to which patients comply and persist with treatment,
- patients' use of generics,
- how the physician's prescribing practices compare with those of his or her peers, and
- provide valuable information for pay-for-performance systems that drive improved clinical practices.

It should be noted that the NH law, for example, would not prohibit use of Rx data for these purposes.

The Far Flung Influence of the Pharma Industry
IMS and AMA also argue that the pharmaceutical industry's commercial interest in Rx data makes possible a whole host of other benefits to the nation's healthcare system. “...what is not widely

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known,” say the PE authors, “is that the pharmaceutical industry’s commercial interest in the data ultimately makes possible a variety of other research applications. The industry underwrites the substantial costs that HIOs (Health Information Organizations) incur when collecting and processing the information. *Without this support, the data would not exist* for use in [emphasis added]:

- Evidence-based drug safety studies
- Public health monitoring to set and promote public health policy
- Outcome studies and pharmacoeconomic analyses that look at value vs. cost

- Bioterrorism surveillance
- Development of clinical practice guidelines
- Disease management programs
- Analysis of changes in government healthcare programs (e.g., the uptake of Medicare Part D coverage).”

If this were true, one would think that the pharma industry would be more proactive in taking credit for this largesse and its positive impact on the well being of US citizens.

Pharma Marketing News

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Pharma Marketing News is an independent, free monthly electronic newsletter focused on issues of importance to pharmaceutical marketing executives. It is a service of the **Pharma Marketing Network** – The First Forum for Pharmaceutical Marketing Experts – which brings together pharmaceutical marketing professionals from manufacturers, communications companies, and marketing service providers for wide ranging discussions and education on a multitude of current topics.

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