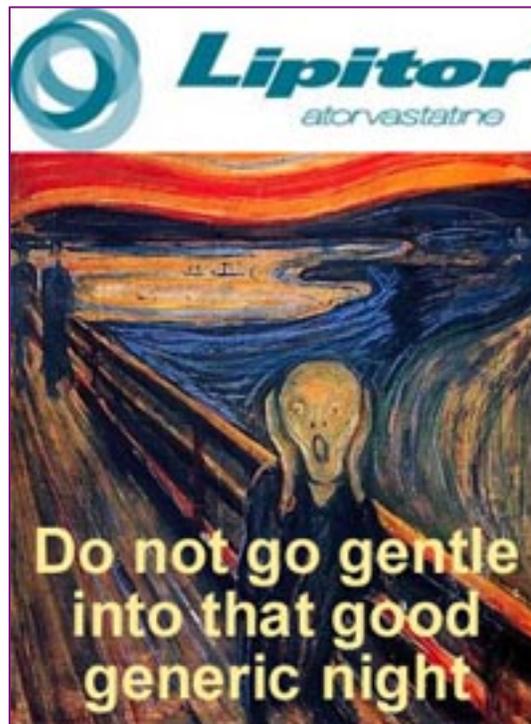


Pfizer Battles to Protect Lipitor Cash Cow Lipitor Won't Go Gentle Into that Good Generic Night

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Pfizer is perhaps the world's most innovative drug company, not only in terms of developing new drugs to treat, for example, high cholesterol—at which it failed spectacularly (see "Why Pfizer Flopped"; <http://bit.ly/rNI3VB>)—but also at keeping old drugs on the market beyond their patent expiration dates and competing with generic drug companies. I am referring, of course, to Pfizer's efforts to keep Lipitor on the market competing with generic versions after Lipitor's Nov 30, 2011, expiry date. Lipitor won't go gentle into that good generic night!

A Multi-Phase Approach

Pfizer is taking a number of steps to protect its Lipitor franchise and it hopes that many patients currently taking Lipitor will remain loyal to the brand. In fact, David Simmons, president of emerging markets and established products for Pfizer, claimed that "more than one-third of patients currently taking Lipitor would like to stay on Lipitor." He cited internal company research (see "Pfizer aims to keep one-third of Lipitor pie"; <http://reut.rs/vhCpiM>).

Pfizer's battle plan includes:

- keeping marketing at a high level instead of the typical two-thirds dropoff during the final year of patent protection,
- offering insured patients a discount card to get Lipitor for \$4 a month,
- paying pharmacies to mail Lipitor patients offers for the \$4 copay card and to counsel patients about the benefits of Lipitor, and
- negotiating unusual deals with some insurance plans and prescription benefit managers.

Unprecedented DTC Spending Binge

The first phase of Pfizer's innovative "Save the Lipitor Cash Cow" battle plan was an unprecedented level of direct-to-consumer (DTC) and physician marketing of Lipitor. In 2010, Pfizer was the biggest DTC spender. Its \$967.5 million DTC budget for that year was more than double the DTC spend of its closest rival, Eli Lilly (see Figure 1, page 3). Of that amount, approximately \$251 million was spent to advertise Lipitor to consumers. An additional \$410 million was spent promoting Lipitor to physicians and supplying free samples (see Figure 2, page 3).

Some physicians may have received money or food from Pfizer to attend Lipitor sales pitches. For example, Pfizer paid \$1500 to "wine and dine" my physician. According to the ProPublica database, Pfizer paid my doctor \$388 for meals and \$1,500 for speaking in 2010.

Perhaps not coincidentally, on my last visit—prompted by a phone call from my doctor's office—she recommended I switch from generic pravastatin to Lipitor, assuring me that it will go generic by the end of the year. Previously, she recommended Crestor, which spent only a minuscule \$95 million on DTC advertising in 2010! Could the speaker fees Pfizer paid my doctor have changed her mind?

Lipitor Won't Go Gentle Into that Good Generic Night!

An ode to Lipitor and its fight against patent expiry; apologies to Dylan Thomas

Do not go gentle into that good generic night,
Patent expiry should burn and rave at close of day;
Rage, rage against the dying of the innovator's right.

Though wise marketers at patent end know generic is right,
Because their words had forked no lightning their Rx brands
Do not go gentle into that good generic night.

Good Rx brands, the last wave by, crying how bright
Their frail market share might have danced in a greener pasture,
Rage, rage against the dying of the innovator's right.

Wild marketers who caught and sang cholesterol numbers in flight,
Learned, too late, Lipitor's fate, they grieve it on its way,
Do not go gentle into that good generic night.

Grave Rx brands, near death, that see with blinding sight
Off-patent drugs could blaze like meteors and be gay,
Rage, rage against the dying of the innovator's right.

And you, my Lipitor, there on the sad market height,
Curse, bless, your loyal patients now with your fierce tears, I pray.
Do not go gentle into that good generic night.
Rage, rage against the dying of the innovator's right.

PBM Deal

Pharmacy Benefit Managers (PBMs) are the middlemen between drug companies (the sellers) and insurers and employers that sponsor insurance plans (the buyers). Pfizer reached a deal with several PBMs through which "many drugstores are being asked to block prescriptions for a generic version of Pfizer's Lipitor starting Dec. 1, when the company loses its patent for the blockbuster cholesterol drug and generic competition begins" (see "Pfizer-PBM Deal Means Many Drugstores Will Delay Sales of Generic for Lipitor"; <http://bit.ly/vsWrR6>).

Pfizer is giving insurance plans and prescription benefit managers rebates that bring their cost for Lipitor down to the price of a generic or slightly less, but only "if they agree to dispense only Lipitor for the six months before additional generic competition slashes prices.

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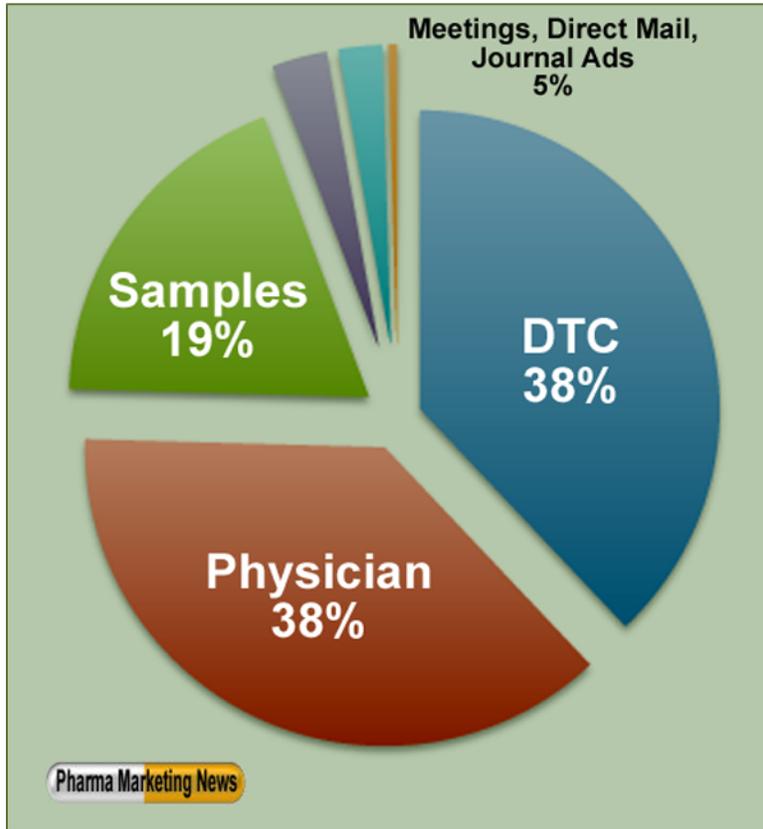


Figure 1. Lipitor's 2010 Marketing Budget (\$660.7 million). Source "Pfizer to Sell Lipitor Direct to Patient at Generic Price Level"; <http://on.wsj.com/tkS9rN>

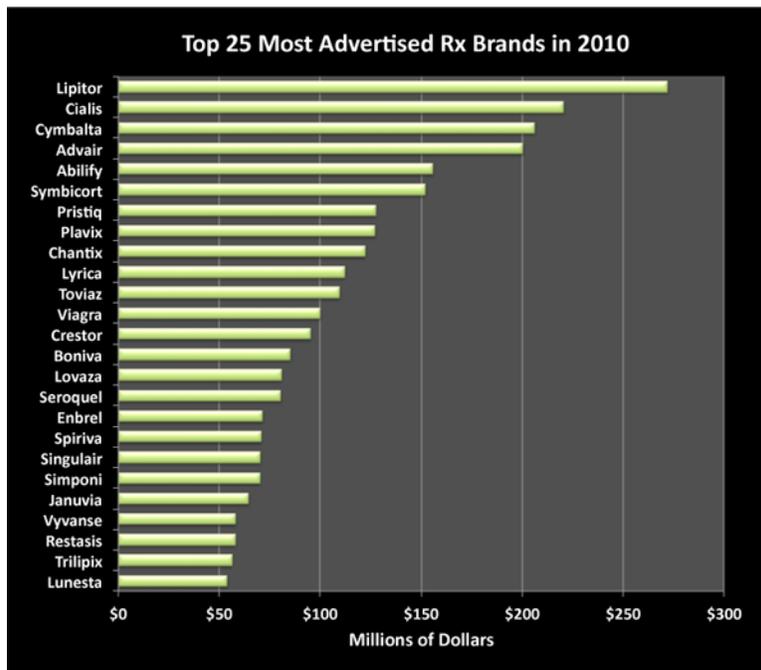


Figure 2. The Top 25 Most Advertised Rx Brands in 2010. Source: AdAge; <http://bit.ly/sVZwuC>

The move has generated some controversy and means many of the 3 million Americans taking Lipitor won't be able switch to the generic" (*San Francisco Chronicle*; <http://bit.ly/tkz3sS>).

Occupy Pfizer!

All this sounds like good news for patients like me who have been advised by their physicians to switch to Lipitor because "it's a second generation statin that will be available in generic form." But for a patient to benefit from this, his or her insurance plan has to be in cahoots with Pfizer to offer Lipitor at the generic price (actually, to request pharmacies and PBMs it works with to NOT substitute a true generic version of Lipitor when the doctor writes "Lipitor" on the scrip).

But the savings will not be passed on to employers who will pay higher rates to keep Lipitor on their plans' formularies. What are employers likely to do in that case? They'll pass the added expense on to their employees by requiring them to contribute more to their health coverage!

Most patients taking Lipitor won't even know what's going on except that their out-of-pocket co-pay will be decreased. But as more patients pay a portion of their employer-sponsored healthcare coverage, they should be concerned that employers may pass along the added expense to them. And even though the Pfizer-PBM deal will end in six months and Lipitor co-pays will rise back up, it would still hurt employers who will remember the shakedown when they adjust their employee benefit plans!

Part of the "controversy" cited by the *SF Chronicle* was my call to "occupy Pfizer" in protest (see this post: <http://bit.ly/lipitordeal>). Just on the basis of the above and the fact that my doctor was wined and dined by Pfizer, I feel that I should boycott Lipitor until I can truly get a generic version.

Am I putting my health at risk by refusing Lipitor? I don't think so. When I think how mad and helpless I would feel while taking Lipitor because of this PBM-Pfizer deal, my blood pressure rises, which would put me at greater risk of having a heart attack.

Pfizer's Playbook: Will It Be Copied?

If Pfizer's Save the Lipitor Cash Cow Battle Plan is successful, "the risky move could rewrite the industry's playbook for selling medicines," said a *Wall Street Journal* article (see <http://bit.ly/tGdrKc>). Pfizer, it seems, now has another "playbook" in addition to its infamous "Social Media Playbook" (see "Is This Pfizer's Social Media 'Playbook?"; <http://bit.ly/opzKlb>).

What's the Social Media Plan?

Speaking of social media, I am curious if Pfizer is using social media to help promote its plan to keep as many patients loyal to Lipitor as possible? There's a "Join the LIPITOR FOR YOU program" web page on the Lipitor.com site. But it only includes an "Email to a friend" button. The official Pfizer Twitter account (@pfizer_news) has not posted any tweets about the LIPITOR FOR YOU program and there is nothing about the program on Pfizer's Facebook page.

There are, however, other ways that Pfizer may be engaging in the online conversation about generic Lipitor. Posting anonymous comments to online patient forums or blogs may be one way. The following comments about the dangers of generic Lipitor, for example, were posted in response to the *Wall Street Journal* Health blog post "Countdown to Generic Lipitor: What Are Your Questions?" (<http://bit.ly/sUg5S3>):

My concern with a generic Lipitor, is that I learned the hard way that I was allergic to the coating on the generic of Calan. Each time I have to use a generic of anything, it really makes me nervous. Plavix will probably go generic, also, so presently I have a double concern." -- Marilyn

"What is the guarantee that these generic versions will be exact copies of Lipitor? Is there a possibility that the FDA may discount certain compositional attributes when the generics are approved?" -- Query

Such comments may or may not have been created by Pfizer or its agents. But it demonstrates how pharmaceutical companies can influence the online conversation without anyone being the wiser. There's no way I can prove that the above comments were paid for by Pfizer. Sometimes, however, the proof is in the pudding—meaning that it is obvious the person posting the comment is no ordinary citizen but may be a social media equivalent of "Joe the Plumber." For more about that, see <http://bit.ly/opzKlb>.

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