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ETHICAL ONLINE PRACTICES BUILD CONSUMER TRUST

By Business Writer Brandon Honig

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Although pharmaceutical firms claim they are not required to comply with regulations enacted under the Health Insurance Portability and Accountability Act of 1996, using HIPAA as a model for online policy may help drug companies improve their public images, build trust with consumers and, ultimately, sell more products.

John Mack, president of the Internet Healthcare Coalition and publisher of Pharma Privacy Watch (www.pharma-privacy.com), led a workshop to investigate the role of ethics in online pharmaceutical promotion. Mack identified two components of ethical online promotion: privacy and quality of information.

HIPAA is intended to address the privacy of health information handled by insurers, hospitals, physicians and other providers. Web sites operated by drug firms, however, also frequently collect private consumer information. For example, Internet users may be asked about their health conditions or prescribed medications in order for the Web site to personalize information relayed to them.

These types of requests present a dilemma for consumers because, according to a 2000 poll conducted by the Pew Internet & American Life Project, 89 percent of those who seek health information online are concerned that a Web site might sell or give away their information.

Furthermore, a 2000 survey from Cyber Dialogue showed that only 14 percent of consumers have a "high level of trust" for pharmaceutical companies' Web sites. According to Mack, these figures demonstrate a need for drug companies to examine their data privacy practices.

"Best-in-class data collection policies and practices will help you build trust and increase meaningful interaction with consumers," Mack said. "Do more to help them, do more to sell your product."

As a first step, Mack suggested that pharmaceutical companies cease collecting any personal information that is not needed; online questions should be limited to the "minimum necessary" to complete the task being performed. Furthermore, data should only be collected if there is a clear and genuine benefit to the user.

Additionally, sites can build trust by clearly giving individuals the opportunity to choose whether specific personal information may be shared with a third party (use of "opt-in" or "opt-out" selection).

Mack also pointed out that there is a widespread need for pharmaceutical firms to enact company-wide privacy policies rather than having policies that differ across sites serving different products. (see "Additional Notes")

Finally, Mack presented data showing that consumers' confidence in the quality of health care information on the Web varies by source, with information from commercial entities (e.g. pharmaceutical firms and health plans) receiving the least consumer confidence. In order to foster confidence in the quality of information they are disseminating, Mack suggested that drug companies go beyond Food and Drug Administration guidelines and Federal Trade Commission regulations and implement self-regulatory initiatives.

Web sites may gain credibility by participating in initiatives such as the Internet Healthcare Coalition's eHealth Code of Ethics or by seeking accreditation from third-party organizations such as URAC, Mack said.

Additional Notes

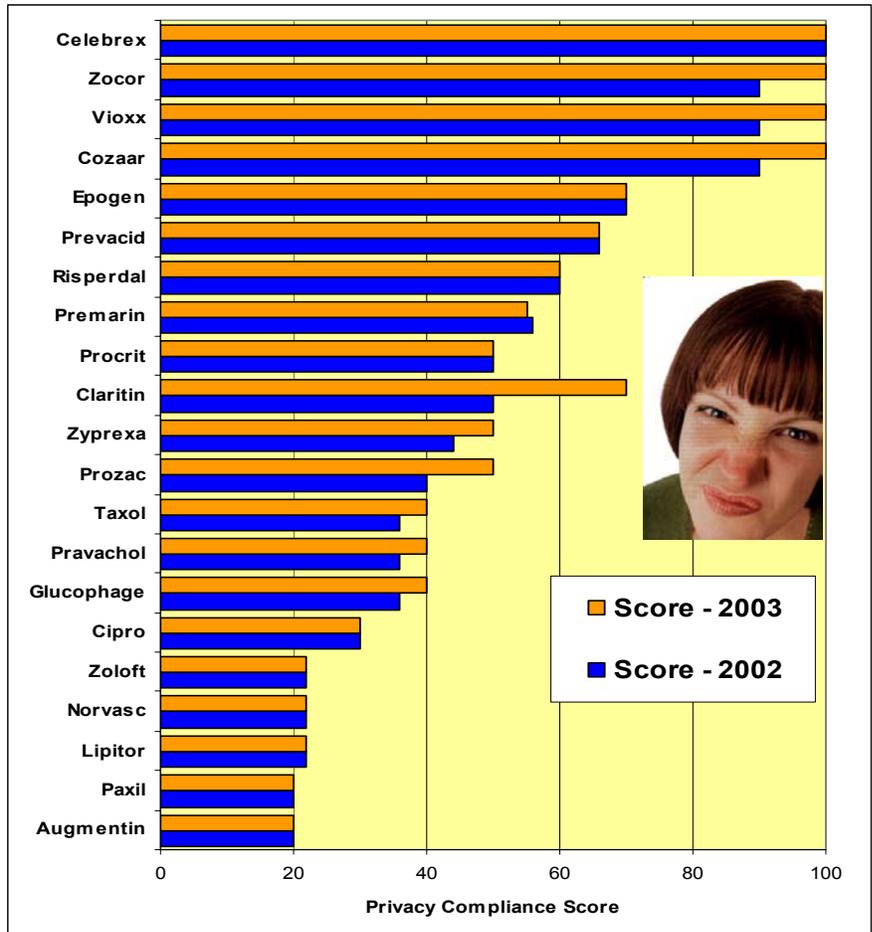
Privacy Compliance Scores of Rx Brands

Mack presented an analysis of the online privacy policies of major pharmaceutical brands in the U.S. This is an update of a study of the same brands performed in 2002 (see *Pharmaceutical Compliance with Fair Information Practice Principles*, <http://www.pharmamkting.com/news/pmn12-article01.html>).

The compliance score of several brands increased, most notably the Merck Zocor, Vioxx, and Cozaar brands and the Schering-Plough Claritin brand.

In the case of Merck, which has one companywide privacy policy for all brands, the change was due to better compliance with the Access fair information practice principle – consumers can now view their personal information submitted voluntarily).

Claritin's policy increased compliance with the Security and Chain of Trust principles while it decreased somewhat in compliance with Access.



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John MackVirSci Corporation (www.virsci.com)

PO Box 760, Newtown, PA 18940

215-504-4164, 215-504-5739 FAX

<mailto:johnmack@virsci.com>