



Economic & Policy Research

Direct-to-Consumer Advertising

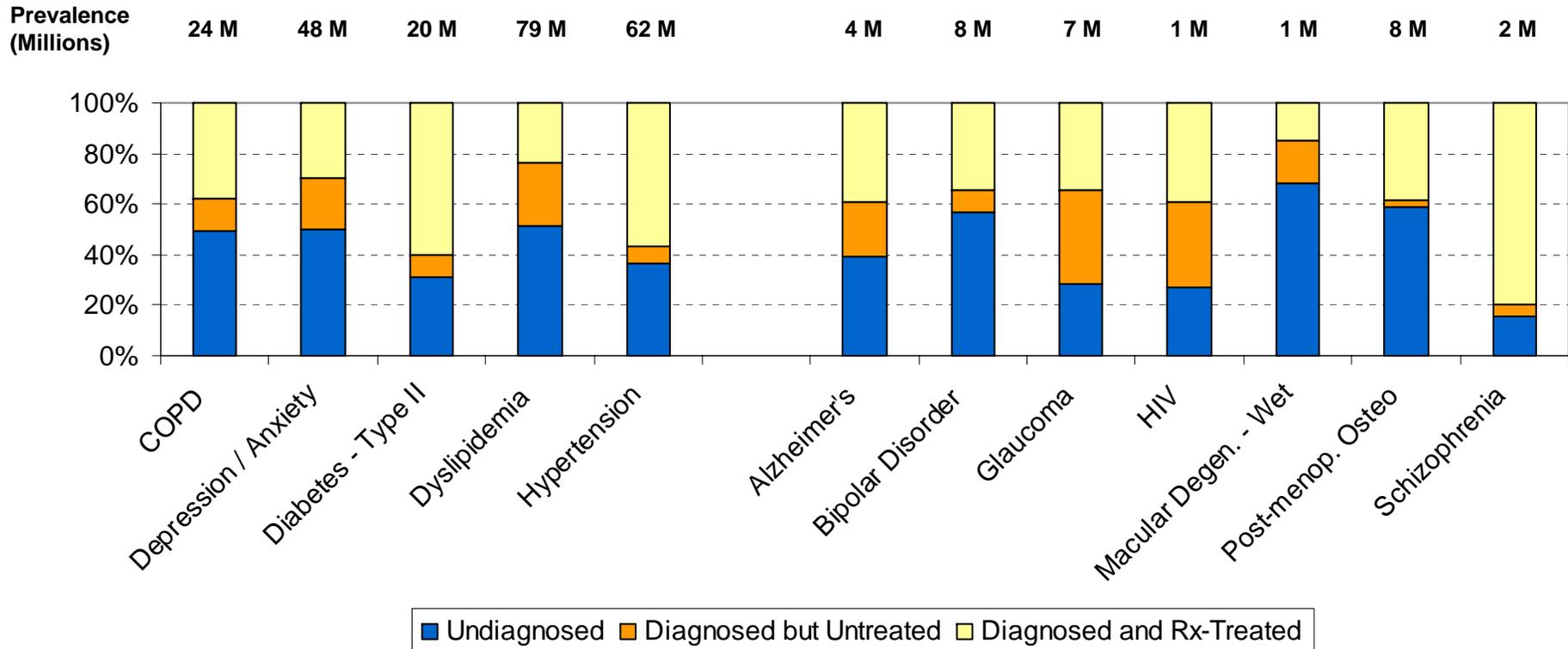
*FTC Bureau of Economics Roundtable
October 20, 2006*

*Richard Manning, PhD
Pfizer Inc*



Sick Patients Often Go Without Diagnosis or Treatment

Prevalence, Diagnosis, and Treatment Selected Disease Categories



Source: Pfizer internal analysis, completed March 2006, based on the following references: Decision Resources, Datamonitor, Mattson-Jack, NHANES, Cogent, JAMA, DDC Consumer Prevalence Survey, Synovate HIV Therapy Monitor, Verispan, National Osteoporosis Risk Assessment, Centers for Disease Control, Pfizer Outcomes Research.



Patients Are Not Taking Medicines Properly

	High Cholesterol	High Blood Pressure	Diabetes
■ Nonacceptance	10%	15%	11%
■ Nonpersistence			
◆ At 12 months	34%	38%	37%
◆ At 18 months	47%	49%	51%
■ Noncompliance	47%	46%	46%

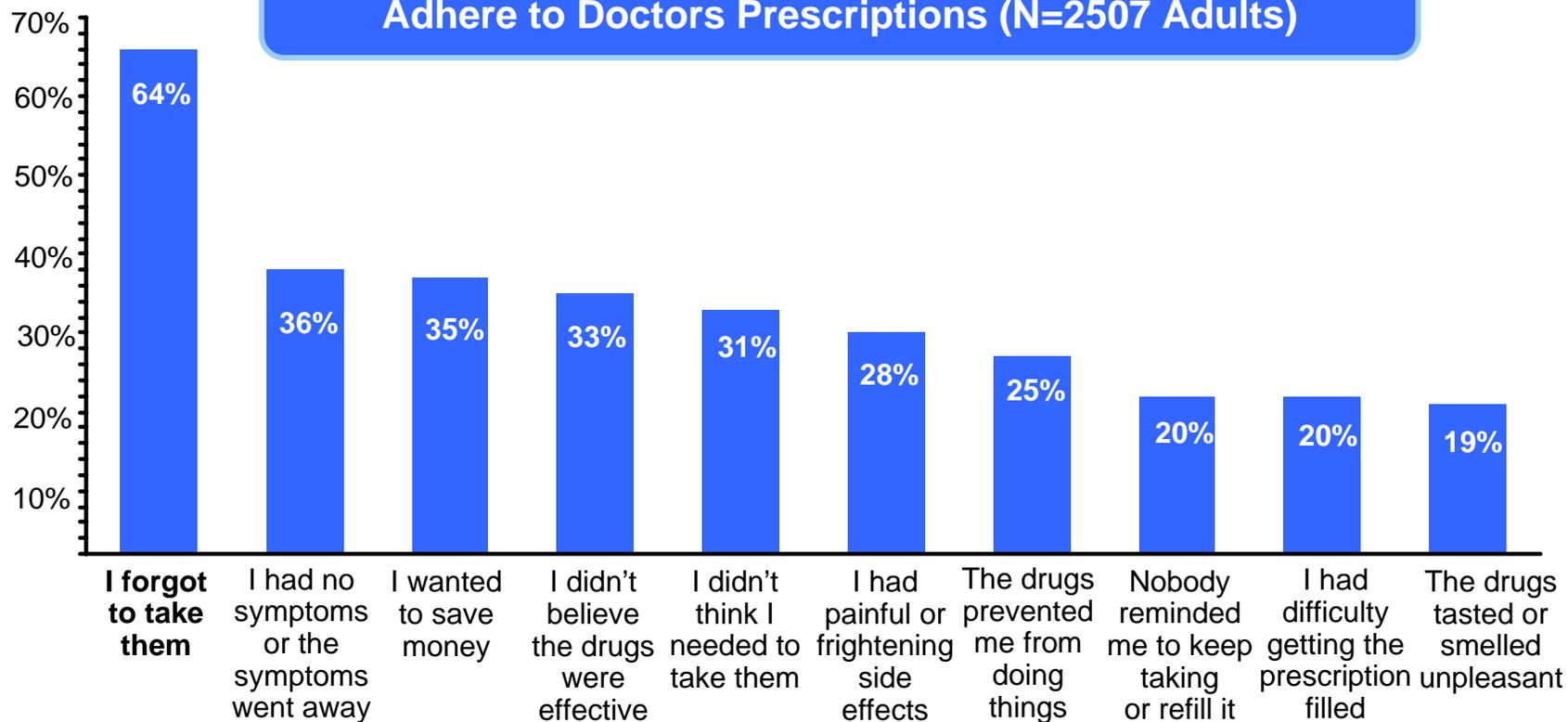
Note: acceptance means patient filled original prescription; persistence means patient remains on therapy by a given date; and compliance means the patient is taking the medicine appropriately.

Source: Integrated Healthcare Information Services, Inc. (IHCIS) (30 health plans, 11 million members; HL analysis: Age 25–64, N=8839. HTN analysis: Age 25–64, N=11,422; Diabetes analysis: Age 18–64, N=6090).



Barriers to Adherence: Experiential, Economic, and Emotional

Nationwide Survey on Why Patients Do Not Always Adhere to Doctors Prescriptions (N=2507 Adults)



33 percent were *often* or *very often* noncompliant for any reason.*

Source: *The Wall Street Journal Online*/ Harris Interactive Health Care Poll (Vol.4, Iss. 6). Prescription Drug Compliance a Significant Challenge for Many Patients, According to New National Survey. Mar. 29, 2005.

*Includes those with any drugs prescribed in the last year.



Complex Information Environment

Increasing Interest and Many Information Options

- Increase in health information seeking across all media types in recent years¹
- Typical patient uses 4 – 5 discrete information sources to learn more about their condition²
- Physicians also report that conversations are spurred by many sources³

Top 10 Information Sources (Ranking Based Past-Year Usage)²

1. Conversation with physician
2. Magazines/newspapers
3. Conversations with friends/family
4. Info from pharma company
5. Conversation with pharmacist
6. TV ads
7. Conversation with nurse
8. Materials in doctor's office
9. General health Web sites
10. Magazine/newspaper ads

1: Roper Reports, 2005.

2: Ipsos/Pfizer Nationally representative mail panel survey, N = 3936, 2005 (Profiled 36 information sources on exposure, usage frequency, trust and perceived usefulness)

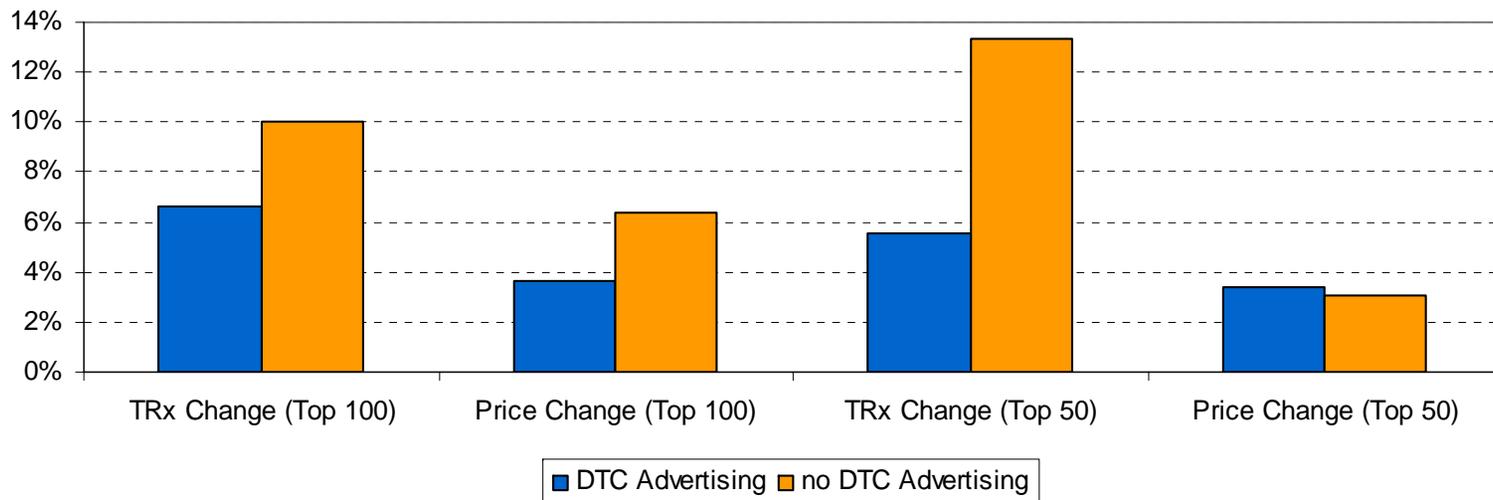
3: DataMonitor, The Changing Patient-Physician Relationship Part 2: The Physician's Perspective, 2006. Based on Datamonitor's 2005 eHealth Physician Insight Survey (N=782)



DTC Advertising Does Not Raise Prices

TRx and Price per TRx Percent Change, 2004 to 2005 For Drugs With and Without DTC Advertising

Top 100 and Top 50 Drugs by Retail Sales

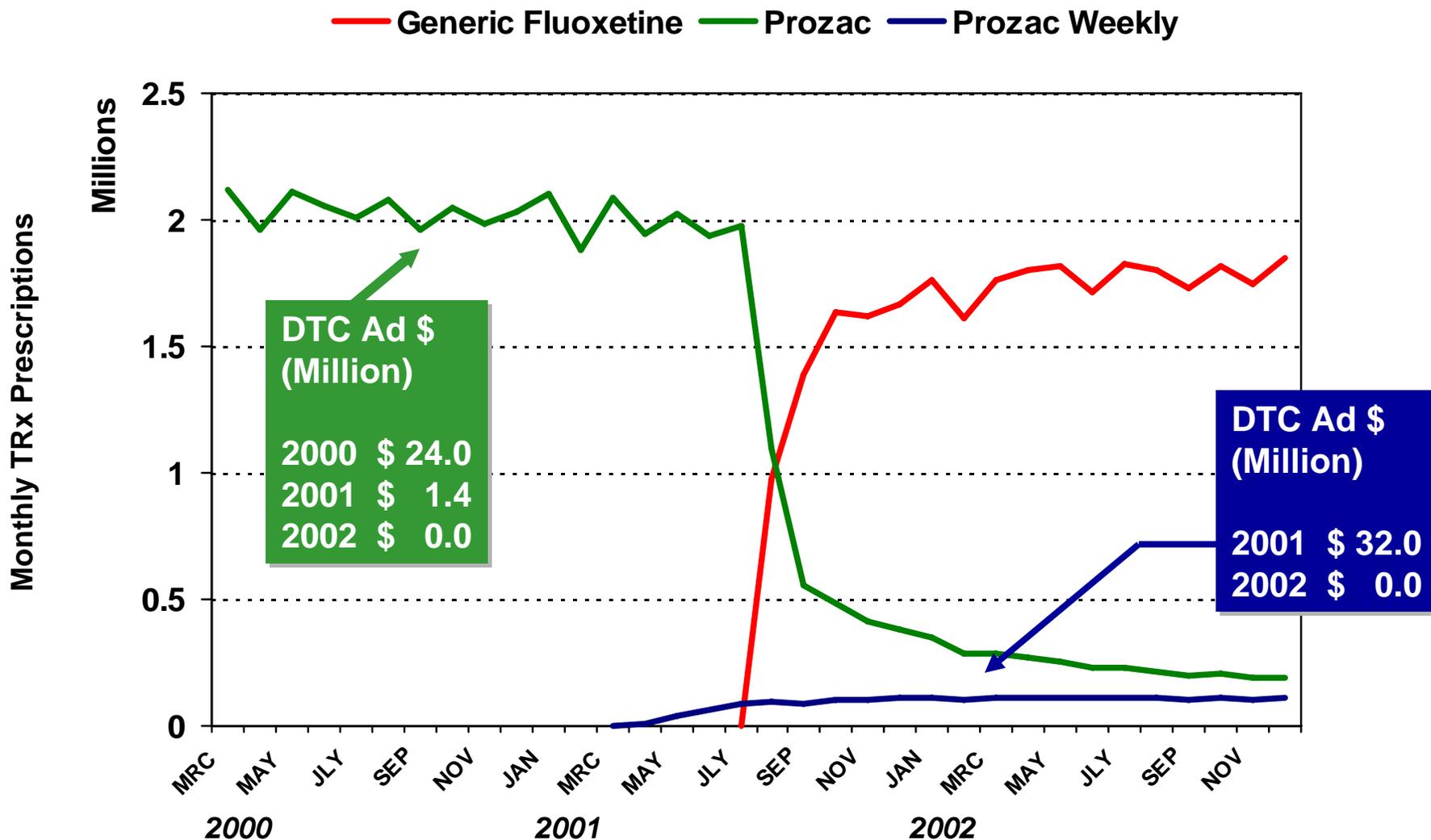


Data source: IMS National Sales Perspectives Database. Calculations are weighted by dollar sales in the retail channel.

- Although TRx and Price changes are generally higher for *unadvertised* drugs, the differences are not statistically significant (5% confidence level).



DTC Does Not Impede Generic Entry: The Fate of the "Prozac Nation"





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Appendix



DTC Advertising Encourages Diagnosis and Appropriate Treatment

DTC-Prompted Physician Visits Result in More Than Just Prescriptions for the Advertised Drug...

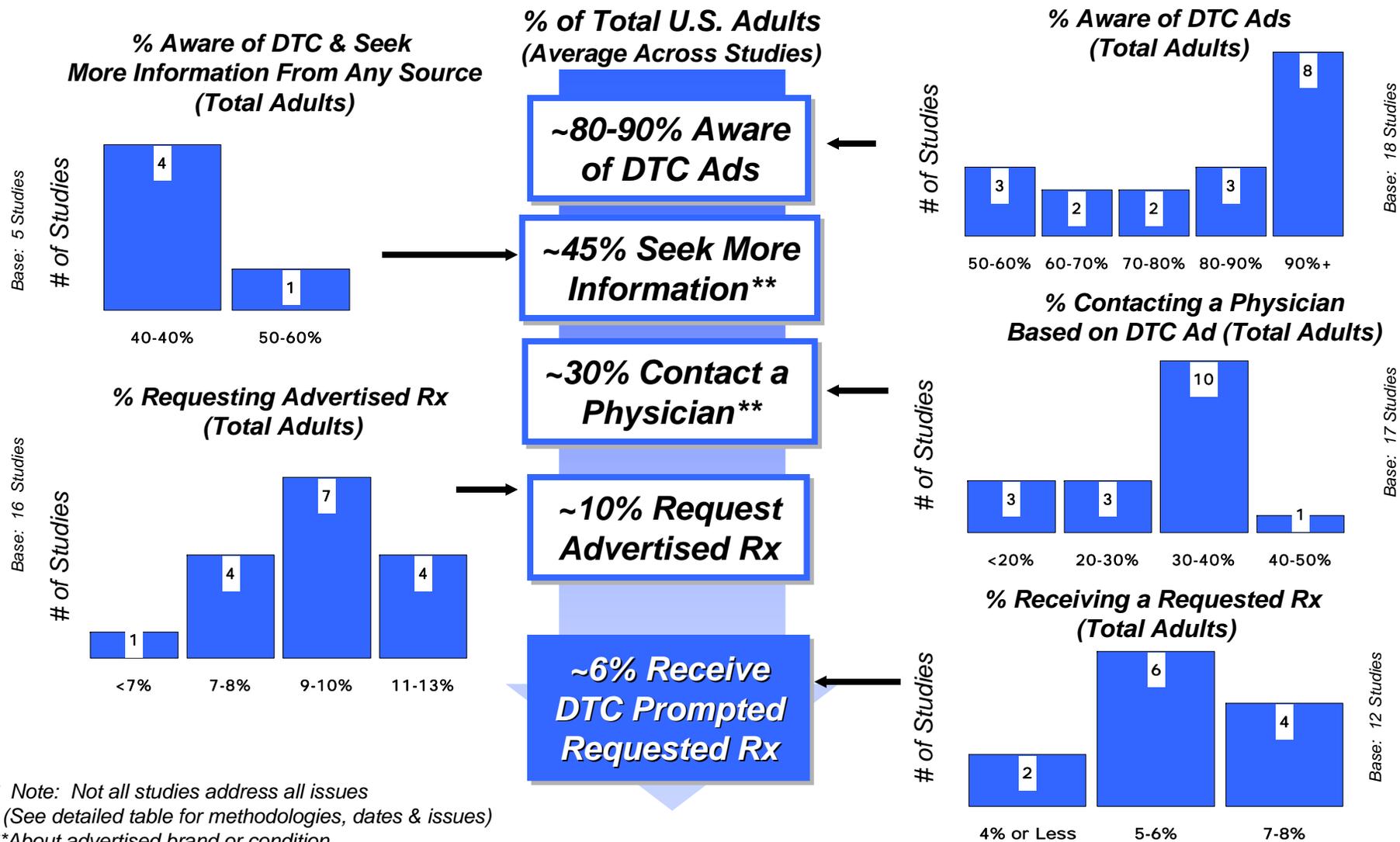
Patient Reports	
Prescribed any medicine	72%
Prescribed the DTC medicine	43%
Patient was not receiving treatment for condition before the DTC/visit (and outcome = medicine)	23%
Referred to specialist	32%
Suggested lifestyle change	52%
Recommended OTC drug	19%
Recommended diagnostic test	57%

Non-Rx outcomes

Source: Weissman JS, Blumenthal D, Silk AJ, et al. Consumers' Reports on the Health Effects of Direct-to-Consumer Drug Advertising. *Health Affairs*. 2003 Jan-Jun; Suppl Web Exclusives:W3-82-95.



Aggregate DTC Impact on Claimed Patient Behavior (Summary of Eighteen Surveys from 1997 - 2005)



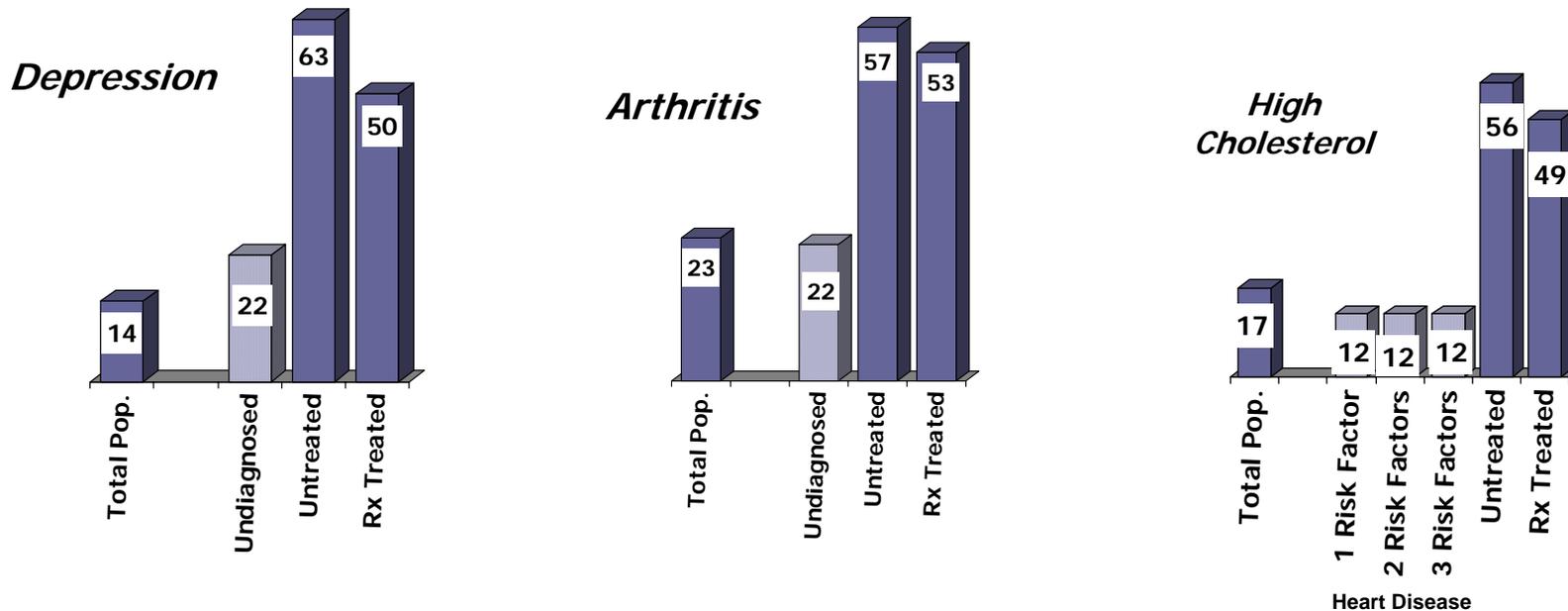
* Note: Not all studies address all issues (See detailed table for methodologies, dates & issues)

**About advertised brand or condition



Barriers to Diagnosis: Lack of Engagement, Lack of Information, Lack of Interest

Interest in Information About Condition (By Respondent Health Status)



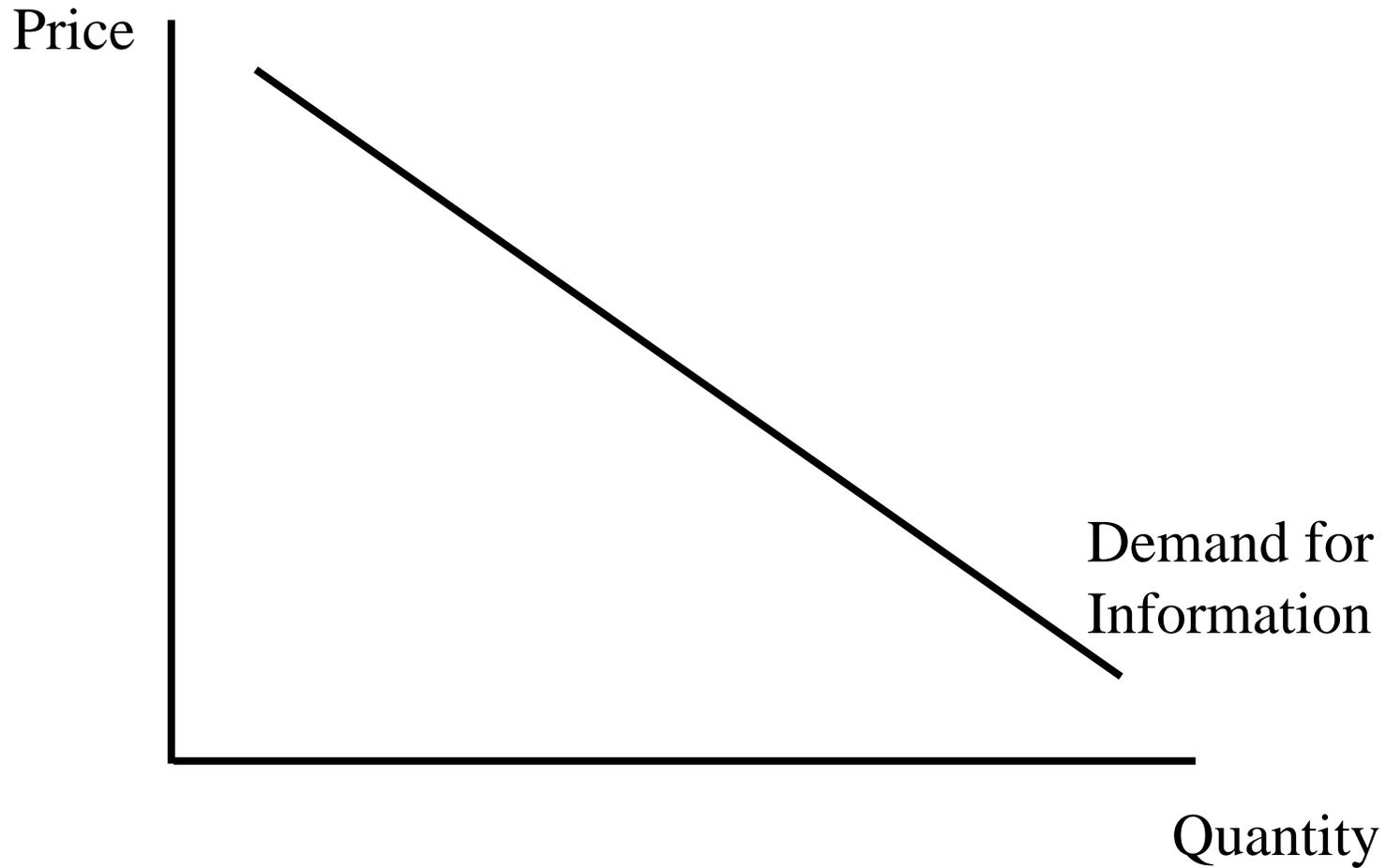
Potential Implication: Activating the undiagnosed is complicated by the fact that they are generally not *looking* for information.

Source: Pfizer analysis (2002); Diagnosis and risk factor questionnaire mailed to study respondents (Ending Sample: 4,459) Data were then merged with responses to separate mail questionnaire, that explored attitudes and healthcare behaviors

Undiagnosed = Screen positive but not diagnosed by HCP
Untreated = Not taking Rx medication



Information Is a Good Much Like Any Other



Complex Information Environment

Many Useful Sources...No “Perfect” Source

- Patients report that many sources can and have provided them with **new and useful information**¹
- Patients also **recognize the strengths and potential issues** of various information sources¹

Consumer Reported Information Source Profile

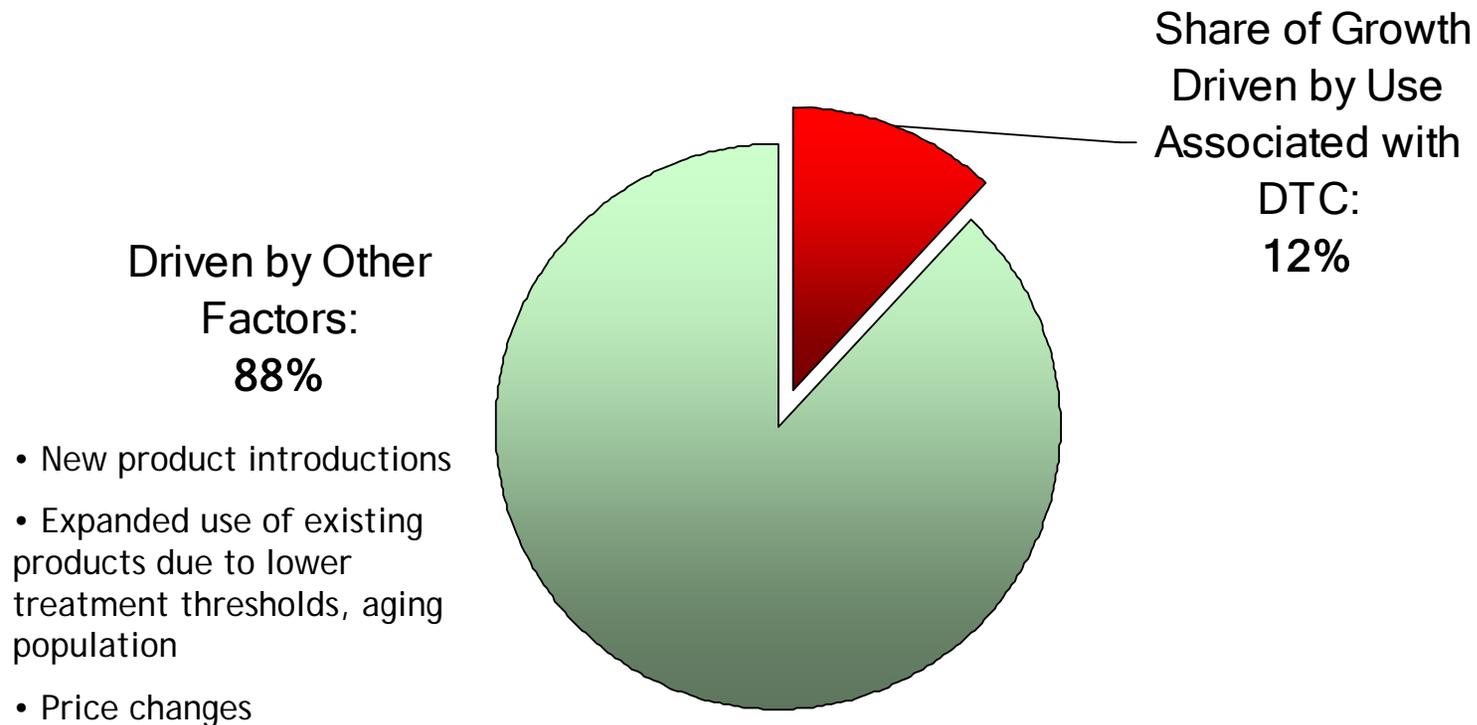
	Web	HCP	Print Ads	TV Program	Mag. Article	Friends & Family	TV Ads	<u>Key</u>
In-Depth Information	Strength	Strength	Potential Issue	Potential Issue	Potential Issue	Potential Issue	Potential Issue	
Multiple Points of View	Strength	Strength	Potential Issue	Potential Issue	Potential Issue	Potential Issue	Potential Issue	Strength
Easily Accessible	Strength	Potential Issue	Potential Issue	Potential Issue	Strength	Strength	Strength	
Less Likely to Be Overwhelming	Potential Issue	Potential Issue	Potential Issue	Strength	Potential Issue	Strength	Strength	Potential Issue

1: Ipsos/Pfizer Nationally representative mail panel survey, N = 3936, 2005 (Profiled selected media sources on 15 dimensions)



DTC Increases Utilization, But Is Not the Primary Prescription Drug Spending Driver

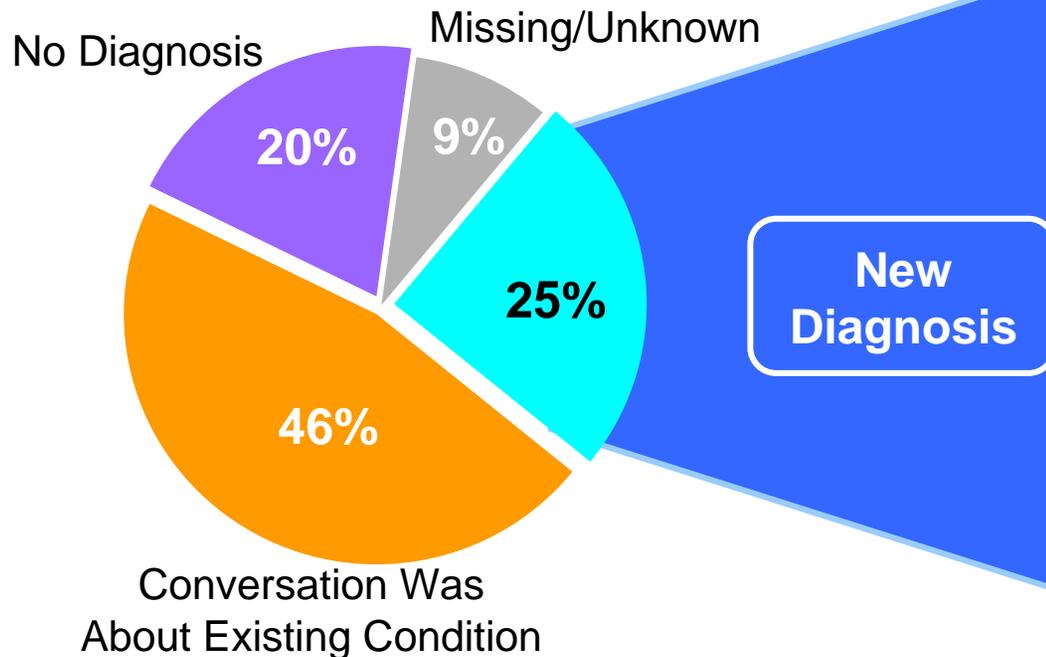
Factors Driving Prescription Drug Spending Increase, 1999-2000



Source: Rosenthal M, et al. Demand effects of recent changes in prescription drug promotion. Kaiser Family Foundation. June 2003.

DTC Ads Work Partly by Identifying New Patients for Treatment

A National Telephone Survey of Consumers Who Have Discussed Advertised Drugs With Their Physician Revealed:



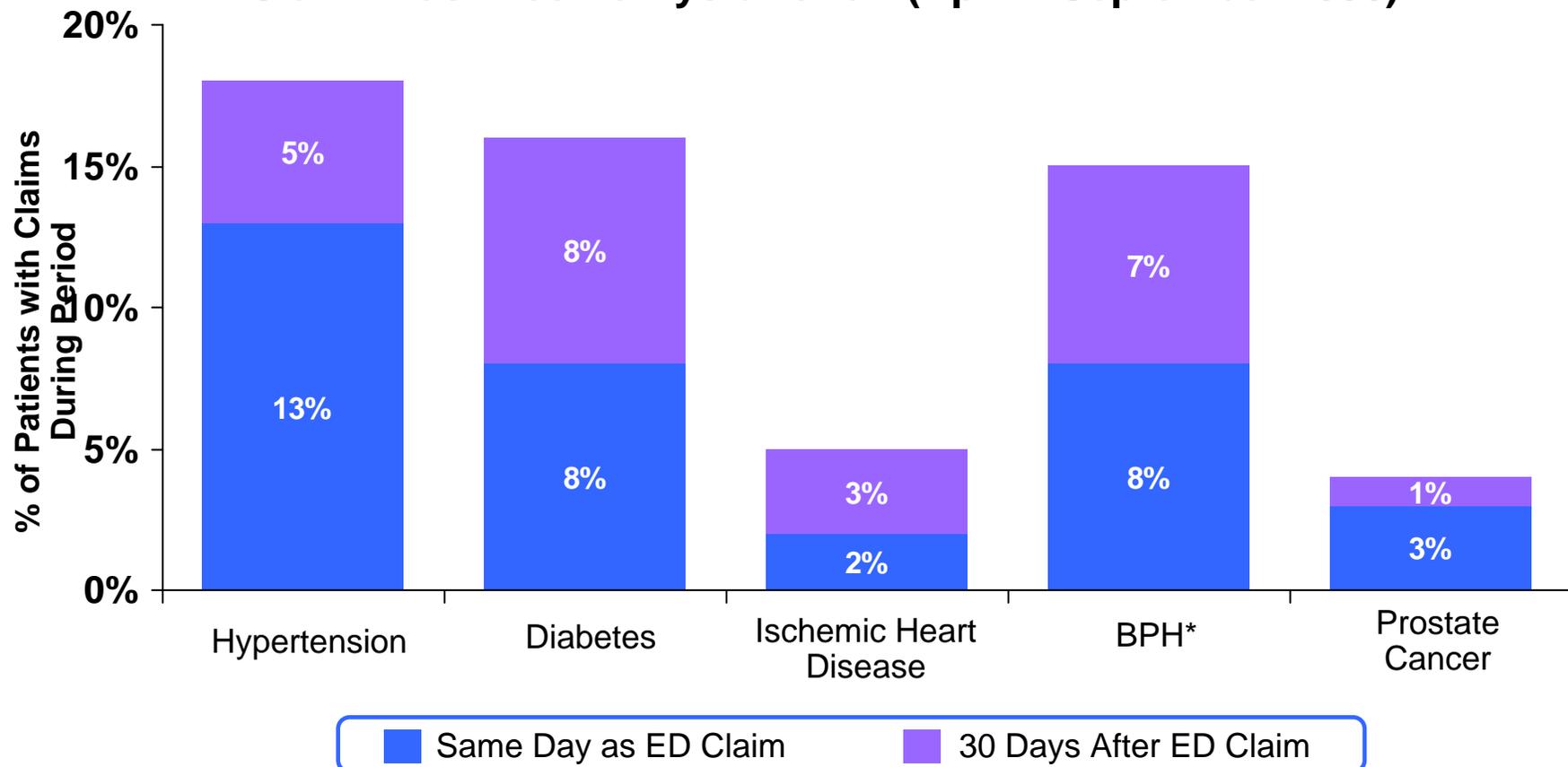
Diagnoses*

43% of diagnoses were “high priority” conditions according to AHRQ/IOM criteria:

- Diabetes
- High Cholesterol
- Hypertension
- Depression
- Asthma
- Arthritis
- Anxiety

Discussing One Condition With a Doctor May Trigger a Discussion of Other Medical Conditions

Claims for Related Conditions in Patients Whose First Claim Was Erectile Dysfunction (April - September 1998)

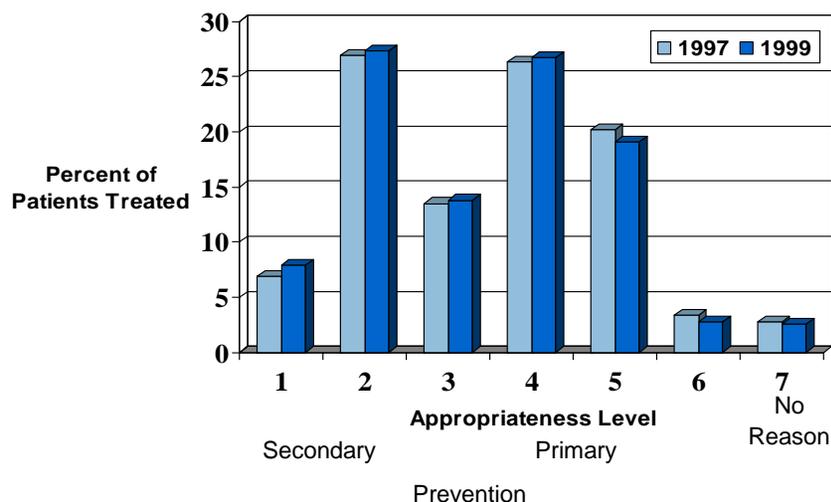


Source: Curkendall S, Jones JK, Goering E. New Claims for Medically Detected Erectile Dysfunction and Related Diseases Before and After ED Treatment. The Degge Group; 1998. * Benign Prostatic Hyperplasia



Evidence of Appropriate Utilization

*Distribution of Patients by Appropriateness Level for Cholesterol-Lowering Therapy**



Source: Dubois, Alexander, Wade et al. Growth in Use of Lipid-lowering Therapies: Are We Targeting the Right Patients? *American Journal of Managed Care*. 2002;8(10):862-867.

*no statistical difference

Implications

1. Significant growth in use of statins during a time of substantial pharmaceutical promotion
2. 95% of statin users had existing heart disease or risk factors for its development
3. No change from '97 to '99 in the cardiovascular risk profile of patients on statins
4. **Despite DTC promotion, no apparent increase in the unnecessary use of this medication class**



Evidence of Appropriate Utilization

■ 60% growth in the number of patients using statins from 1997 - 1999

- ◆ 5% of the population in 1997
- ◆ 8% of the population in 1999



“Appropriateness” of Growth in Treated Patients?

■ Research Design

- ◆ Cardiovascular risk criteria developed based upon NCEP guidelines
- ◆ Administrative database of medical and pharmaceutical claims from managed care enrollees in 22 States
- ◆ Patients receiving statins in 1997 and 1999 were assigned to 1 of 7 categories representing cardiovascular risk
- ◆ Odds calculated to determine if use changed during this time interval (adjusted for age, gender changes)

Appropriateness of Lipid Therapy

Hierarchy

- 1 Prior “event” (MI, CABS/PTCA)
- 2 Vascular Disease (Angina, PVD, CVD)

2° Prevention

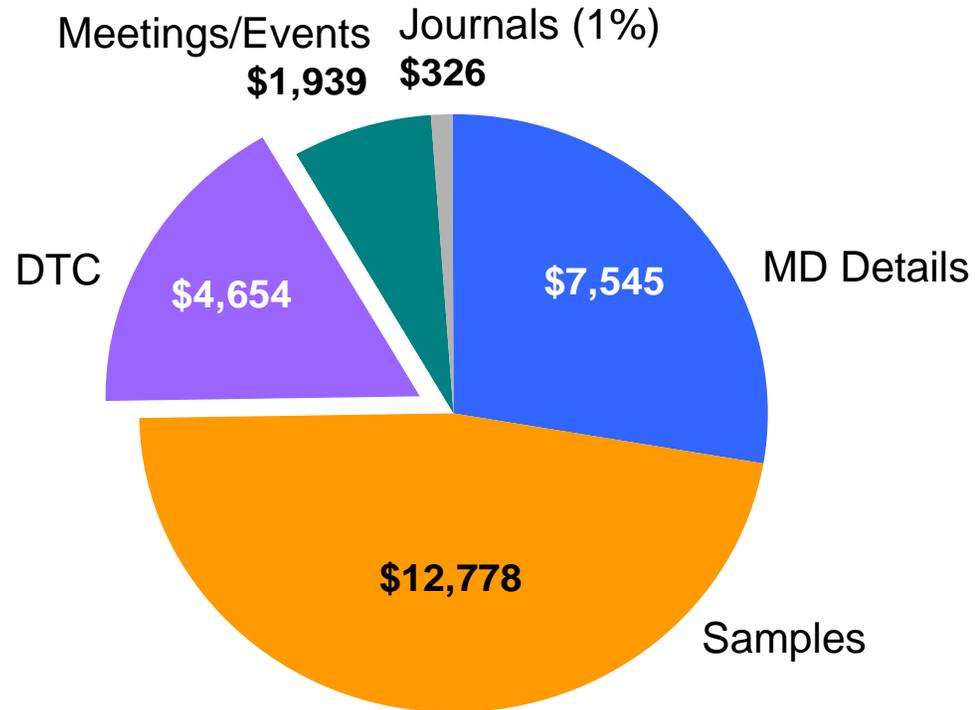
- 3 Diabetes
- 4 Multiple Risk Factors
- 5 Single Risk Factor
- 6 Hypercholesterolemia
- 7 No Reason

1° Prevention



Total Measured Promotional Spending

2005 Total Industry Spending
\$27.2 Billion

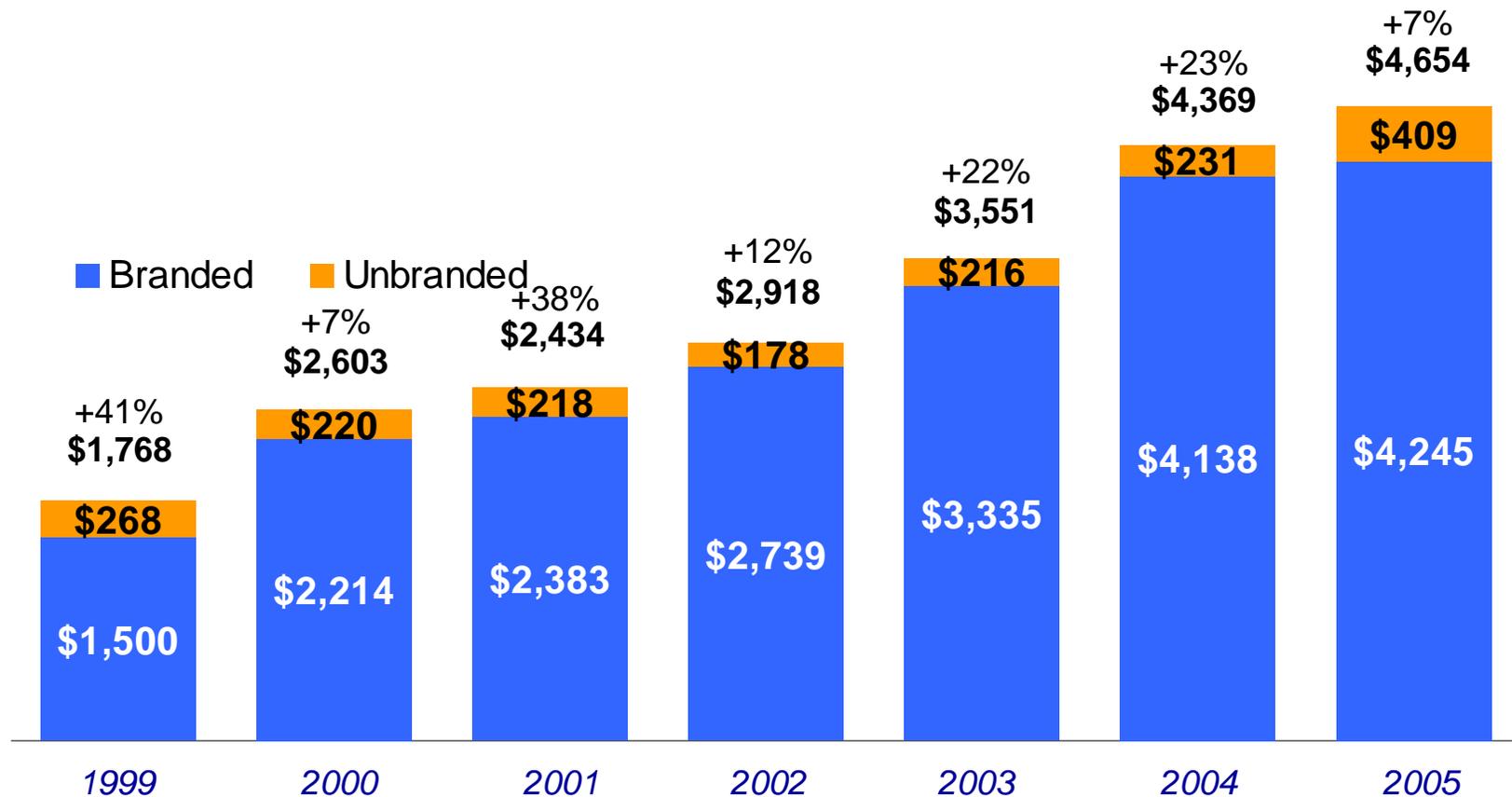


¹ Sources: Verispan PSA/HPSA Dollarized Details, IMS Retail Value of Samples, Nielsen DTC, Verispan Professional Meetings and Events, Verispan Journal, Verispan e-promo



DTC Spending Trends

DTC Growth Slowed in 2005 (\$ Millions)





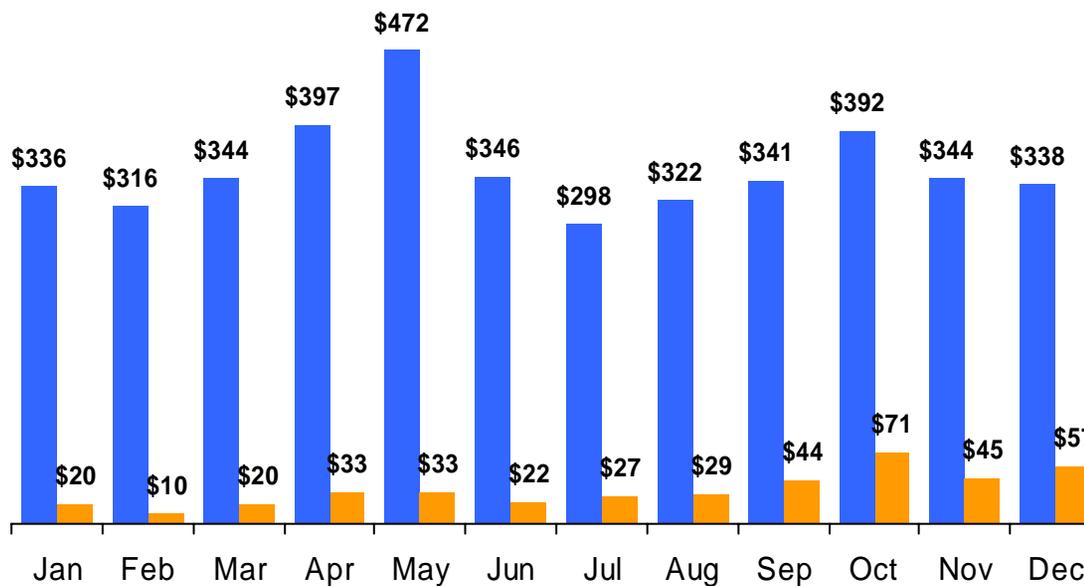
DTC Spending Trends

Unbranded Commitment is Increasing

Yearly DTC Spending
(\$ Millions)



Monthly DTC Spending (\$ Millions)



■ Disease Specific, +77%
■ Branded

■ Branded ■ Unbranded



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