

## Promotion of Prescription Drugs to Consumers

**JAMA, February 14, 2002 Volume 346, Number 7:498-505**

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### FROM ABSTRACT

#### Background

Spending on prescription drugs is the fastest growing component of the health care budget.

There is public concern about the possibility that direct-to-consumer advertising of prescription drugs will result in inappropriate prescribing and higher costs of care.

Guidelines issued in 1997 by the Food and Drug Administration (FDA) regarding advertising to consumers through electronic media are considered by some to be responsible for unleashing a flood of direct-to-consumer advertising.

#### Methods

Using data on spending for promotional purposes and sales of prescription drugs, we examined industry-wide trends for various types of promotion. We also tracked the relation between promotional efforts and sales over time. Finally, we documented the variation in direct-to-consumer advertising among and within five therapeutic classes of drugs and compared the variation in the intensity of such advertising with variation in the intensity of promotion to health care professionals.

#### Results

Annual spending on direct-to-consumer advertising for prescription drugs tripled between 1996 and 2000, when it reached nearly \$2.5 billion.

Despite this increase, such advertising accounts for only 15 percent of the money spent on drug promotion and is highly concentrated on a subgroup of products. [about \$17 billion]

Within a therapeutic class, there is marked variation in the intensity of direct-to-consumer advertising, and the amount of such advertising for specific products fluctuates over time.

The initial surge in direct-to-consumer advertising preceded the 1997 FDA guidelines that clarified the rules for electronic direct-to-consumer advertising, and thus the 1997 guidelines may not have been the most important reason for the overall increase.

## Conclusions

Although the use of direct-to-consumer advertising has grown disproportionately to other forms of promotion, it continues to account for a small proportion of total promotional efforts.

Nevertheless, physicians must assist patients in evaluating health-related information obtained through direct advertising.

### THESE AUTHORS ALSO NOTE:

"Spending on pharmaceuticals has accelerated greatly in recent years and is now the fastest growing component of the health care budget."

"There is widespread concern that increased expenditures too often result from more advertising of drugs that do not provide more effective or efficient care."

"Critics despair that direct-to-consumer advertising causes physicians to waste valuable time during encounters with patients and encourages the use of expensive and sometimes unnecessary medications, which leads to waste and excessive profits for pharmaceutical companies."

"A survey found that 71 percent of family physicians believe that direct-to-consumer advertising pressures physicians into prescribing drugs that they would not ordinarily prescribe."

In 1997, the US FDA (Food and Drug Administration) facilitated the increased use of direct-to-consumer by establishing that an "adequate provision" for the advertising of prescription drugs directly to consumers was met if the advertisement **referred** in the broadcast to four sources from which consumers could obtain further information: their doctor, a toll-free number, a print advertisement, or a Web site.

Other reasons for the escalation in direct-to-consumer advertising by drug companies include the spread of managed care.

The authors obtained industry-wide annual data on the promotion and sales of prescription drugs for the years 1994 – 2000, from two sources:

(1) Data on spending on direct-to-consumer advertising was obtained from IMS Health, which is an independent consulting company that provides data and analysis to the pharmaceutical industry, researchers, and to the FDA, including data on advertising spending placed in about 400 medical journals.

**Importantly**, IMS Health does not track spending on meetings and events by drug companies, so that cost is not included in this study.

(2) Competitive Media Reporting, which tracks local and national advertising campaigns in major media such as television and radio.

**Importantly**, Competitive Media Reporting does not track Internet advertising or track drug program sponsorship that appear on public television.

This article assesses 4 major drug advertising strategies used on professionals:

- (1) Face-to-face meeting product information to office-based physicians by sales representative.
- (2) Face-to-face meeting product information to hospital-based physicians by sales representative.
- (3) Giving away free samples of drugs to physicians.
- (4) Advertising in professional journals.

Advertising is the principal method the drug industry uses to reach consumers, doctors, other healthcare professionals, and patients.

## RESULTS

“Spending on direct-to-consumer advertising increased by 212 percent between 1996 and 2000.”

In 1996, direct-to-consumer drug advertising accounted for 9 percent of total spending on promotion. In 2000 it accounted for about 16 percent.

Promotion to health care professionals accounts for more than 80 percent of the money spent on the promotion of prescription drugs.

“While spending on direct-to-consumer advertising increased by \$1.7 billion between 1996 and 2000, spending on the promotion of prescription drugs to physicians (including the retail value of free samples) increased by nearly \$5 billion.”

“The greatest percentage increase in spending on direct-to-consumer advertising occurred in spending on television advertising, which increased by a factor of more than seven between 1996 and 2000,”

“In 2000, nearly twice as much money was spent on print advertising targeted at consumers as on advertising in professional journals.”

“Since 1996, total spending on promotion for prescription drugs has grown by approximately 70 percent.”

## DISCUSSION

"The pharmaceutical industry has altered its marketing strategies, dramatically increasing the flow of dollars into advertising that targets consumers."

Total spending on direct-to-consumer advertising for prescription drugs has more than doubled since 1996.

The authors note that direct-to-consumer drug advertising primarily targets increasing sales of high-priced drugs.

Nearly all of the recent increase in direct-to-consumer advertising spending has gone to television advertising, which is highly visible.

Pharmaceutical costs are the fastest growing component of the health care budget, "and some worry that direct-to-consumer advertising leads to inappropriate and wasteful prescribing."

"In bypassing the physician, pharmaceutical companies have disrupted long-standing conventions governing the doctor-patient relationship."

80% of consumers have seen an advertisement for prescription drugs, and this awareness has grown substantially over time.

25% of patients have talked with their doctors about drugs they saw on television.

Importantly, "several elements of the budgets for promotion were not available for our analyses, including spending on meetings and events and spending on Internet advertisements."

"There may be other kinds of efforts engaged in by pharmaceutical companies in addition to explicit promotion, such as so-called studies that have a substantial promotional component, whose magnitude we cannot estimate."

"The potential costs are inappropriate prescribing driven by the demands of misinformed patients and time wasted by physicians in explaining why a particular therapy or product is not appropriate."

### **THE ABOVE ARTICLE TRIGGERED THE FOLLOWING EDITORIAL:**

#### **Direct-to-Consumer Advertising — Education or Emotion Promotion?**

**JAMA, February 14, 2002, Volume 346, Number 7:524-526**

Sidney M. Wolfe, M.D., Public Citizen Health Research Group, Washington, DC

Intruding into the doctor–patient relationship is the rise of direct-to-consumer promotion, bypassing primary care doctors and other physicians.

“Confusion arises when commercially driven promotional information is represented as educational.”

“Is direct-to-consumer advertising educational or emotional? How often is it misleading? Is enforcement by the Food and Drug Administration (FDA) of advertising regulations adequate? What can be done to neutralize the negative effect of this type of advertising?”

One author notes:

One author notes that “advertisements should be overtly recognized for what they are — an unabashed attempt to get someone to buy something.”

“Serious deficiencies have been documented in the educational value of advertising for over-the-counter drugs.”

Dr. Wolfe quotes an economist who characterizes advertising as “the science of arresting the human intelligence long enough to get money from it.”

Drug advertisement marketing companies have the following strategy:

- (1) The hippocampus is the part of the brain where new concepts and gut instincts are formed, areas that influence emotional behavior and form memories.
- (2) The advertising agency focuses on making the hippocampus respond positively to drug products.
- (3) Direct-to-consumer drug advertising attempts to emotionally connect to the consumer, to “get them to take the desired course of action.”
- (4) Do not overly focus on communicating rational attributes to customers because “consumers often choose a product on the basis of emotional attributes.”

“A substantial proportion of people incorrectly believed that only the safest and most effective drugs could be advertised directly to consumers and that the FDA required that it be allowed to review advertisements before they were published.”

“There is evidence that many drug advertisements are not balanced or accurate, and duped gatekeepers [doctors] may not adequately resist patients' exhortations to write a prescription.”

[Stryer D, Bero LA. Characteristics of materials distributed by drug companies: an evaluation of appropriateness. *J Gen Intern Med* 1996;11:575-583]

[Wilkes MS, Doblin BH, Shapiro MF. Pharmaceutical advertisements in leading medical journals: experts' assessments. *Ann Intern Med* 1992;116:912-919]

Expenditures for the promotion of drugs increased from \$11 billion in 1997 to \$15.7 billion in 2000.

Dr. Wolfe notes that the FDA is:

- (1) grossly understaffed
- (2) lacks the legal authority to impose civil monetary penalties on drug companies, even when they repeatedly violate the law

"An editorial in a December 2001 issue of Business Week commented that 'pharmaceutical company advertising on TV promotes high-priced new drugs with marginal improvement over cheaper generic versions. The FDA should crack down harder on misleading ads.'"

Direct-to-consumer drug advertisement have "emotion-arousing images and frequently unbalanced information on safety and effectiveness, mislead patients into believing that drugs are better than they actually are."

"The education of patients — or physicians — is too important to be left to the pharmaceutical industry, with its pseudo-educational campaigns designed, first and foremost, to promote drugs."

### **Spending Jumps Again For Prescription Drugs** **San Francisco Chronicle** **March 30, 2002**

"Spending on prescription drugs rose more than 17% in 2001, driven in large measure by a handful of heavily advertised, high-priced medications, a nonpartisan study released Thursday (03/28/02) found"

Sales of prescription medications totaled \$1.75.2 billion last year, an increase of \$27 billion over 2000.

Pharmaceutical costs are the fastest-rising component of health care expenditures, and medication use and advertising were the prime factors.

"More doctors are writing more prescriptions for the most expensive, heavily marketed drugs."

#### KEY POINTS FROM DAN MURPHY:

- (1) Spending on prescription drugs is the fastest growing component of the health care budget.
- (2) A significant part of the direct-to-consumer drug advertising rests with the Food and Drug Administration (FDA) for a lax police and poor funding / staffing.

- (3) Current annual spending on direct-to-consumer drug advertising for prescription is \$2.5 billion, which I believe is the approximate equivalent to the income of all practicing chiropractors combined. (I think)
- (4) Current annual drug advertising and promotion is about \$17 billion.
- (5) These numbers, \$2.5 billion and \$17 billion do not include the costs of putting on meetings and events by drug companies, Internet advertising, drug program sponsorship that appear on public television, or other kinds of efforts engaged in by pharmaceutical companies to promote drugs.
- (6) Direct-to-consumer drug advertising increased by 212% between 1996 and 2000 to about 16% of total spending on promotion.
- (7) The greatest percentage increase in spending on direct-to-consumer advertising is television advertising, which increased by more than 7 fold between 1996 and 2000.
- (8) By bypassing the physician with consumer drug advertising, pharmaceutical companies have disrupted the doctor-patient relationship.
- (9) Drug advertisements are an unabashed attempt to get someone to buy drugs by arresting the human intelligence long enough to get money from it.
- (10) People incorrectly believe that only the safest and most effective drugs can be advertised directly to consumers.
- (11) Many drug advertisements are not balanced or accurate.
- (12) Direct-to-consumer drug advertisement have emotion-arousing images with unbalanced information on safety and effectiveness, misleading patients into believing that the drugs are better than they actually are.
- (13) Sales of prescription medications totaled \$175.2 billion last year, an increase of \$27 billion over 2000 (17%).