



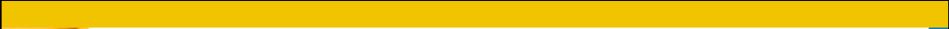
Eavesdropping in the Exam Room: Should States Regulate Prescription Data Mining?

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Prescription Data Mining

- What is it?
 - Computer database technology introduced 1993
 - Tracks drug prescriptions written by individual prescribers by specific brand
 - Sold to drug companies to target marketing to doctors as individuals
- Why should states consider regulation?
 - Cost
 - Privacy
 - Health Care Quality



Clash of Values

- Drug company goals are revenue, share, and profit
- Public policy goals are affordable, safe, high quality health care
- Information has economic value



Rx Drug Costs Rising Dramatically

- Fastest growth among all sectors
 - Up 74% over 5 years in New Hampshire
 - Public and private spending impact
 - \$868 per capita
 - Projected 47% increase next 5 years
 - Medicaid Rx costs higher than hospitals and doctors combined, up 68% in 5 years
 - Prisoner Rx costs higher than hospitals, doctors, and diagnostics combined



Marketing RX Drugs

- Billions spent marketing to doctors and patients
- One third of revenue spent on marketing
 - \$5 billion spent on consumer advertising
 - \$15 billion spent on free samples and marketing to doctors, \$15,000 per physician
 - 90,000 sales reps; 1 for every 5 doctors
 - Breakeven for one sales call is one new prescription
 - Data mining industry is a \$2 billion convenience to pharmaceutical industry



Quality of Care Depends on Trust and Objectivity

- Drug companies have unauthorized access to private relationship
- Patient/Doctor relationship is complex
 - Like a drug rep listening at the door
 - Ability to influence private relationship between doctor and patient
 - Best care combines professional judgment with personal knowledge and patient's interest, not commercial interests



Patient Identity

- Industry denies knowledge of patient identity
 - Incomplete compliance testimony
 - Direct mail advertising to patients
- Concerns about electronic vendor privacy standards
- Concerns about HIPAA



Prescriber Data Mining Regulation

- NH law prohibits commercial use of prescriber identity
 - Allows collection, non-commercial use
 - Allows aggregate data commercial usage
 - Enjoined by federal district court decision, on appeal
- Vermont enacts opt-in, Maine enacts opt-out
- AMA has voluntary opt-out program
 - Drug companies still see prescribing records even when doctors opt out
 - AMA has multi-million \$ conflict of interest
 - 8,000 doctors (1%) have signed up
 - Majority of physicians support data mining ban



Pharmaceutical Industry Opposition

- Contention: Physician tracking saves money
 - “Makes marketing more efficient”
 - Which doctors should get samples
- Reality: It contributes to spending growth
 - Marketing and sampling are for expensive brand name drugs, not cheaper generics
 - \$2 billion data mining cost passed on to consumers and payers
 - Practice level aggregate data is enough



Pharmaceutical Industry Opposition

- Contention: Physician tracking improves care
 - Sales reps can teach doctors how to use drugs
 - Contributes to health research
 - Doctors are sophisticated, not subject to influence of marketing, sales reps
- Reality: Marketing does not improve care
 - Sales reps not qualified to teach doctors
 - Research not impacted by regulations
 - Studies show gifts change prescribing habits, create sense of obligation



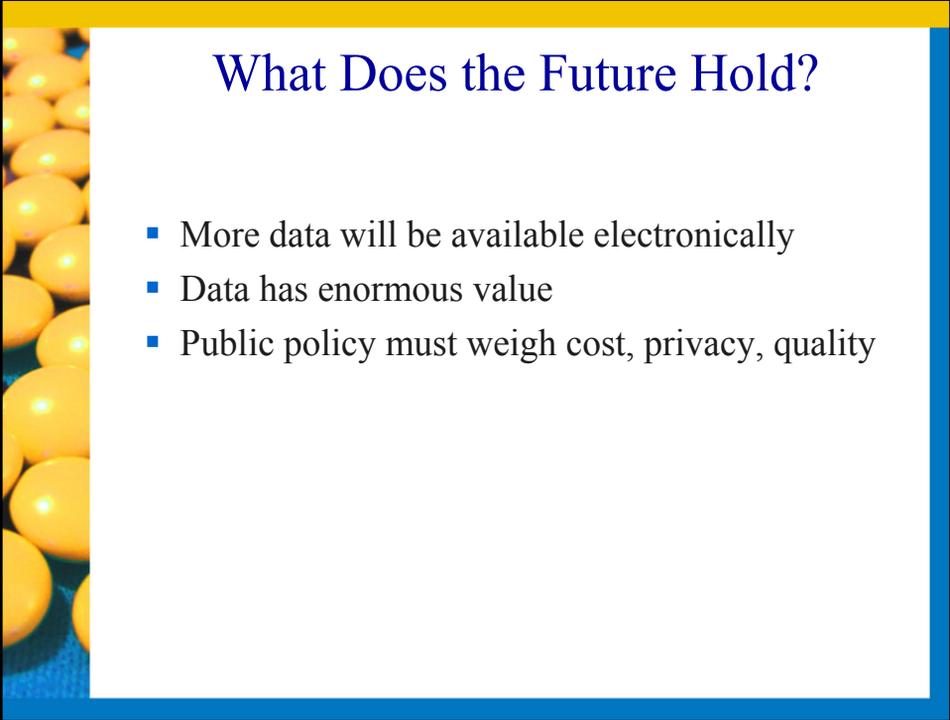
Pharmaceutical Industry Opposition

- Contention: Physician tracking improves safety
 - Can help with FDA programs to warn prescribers and patients of safety problems
 - Recalls
 - Black box warnings
 - Risk management / special prescribing qualifications
 - Adverse event reporting
 - Find doctors who prescribe inappropriately
 - Warnings should be targeted



Pharmaceutical Industry Opposition

- Reality: Safety programs must—and do—cast broader net
 - FDA is silent on data mining
 - Many ways to report problems to doctors
 - Warnings must reach all potential prescribers
 - Toe nail fungus warning to psychiatrists
 - Doctors report adverse events to FDA
 - Warnings can be linked to e-prescribing
 - Better ways to monitor prescription fraud/abuse
 - Safety efforts not prohibited by legislation



What Does the Future Hold?

- More data will be available electronically
- Data has enormous value
- Public policy must weigh cost, privacy, quality



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