

March 13, 2002

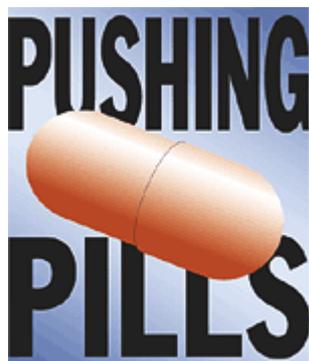
HEALTH

Backlash Rises Against Flashy Ads For Prescription Pharmaceuticals

By THOMAS M. BURTON
 Staff Reporter of THE WALL STREET JOURNAL

General Motors Corp. spent \$55 million last year for something totally unrelated to steel, tires -- or to cars at all. It was for Prilosec, the expensive little purple pills for heartburn.

The auto company's overall cost of drugs for workers and retirees shot up 14% last year, to \$1.3 billion. A prime culprit was direct-to-consumer advertising, say GM executives. And they regard Prilosec, the No. 1 drug expense at GM, as a case in point: It was heavily advertised for years, is often unnecessary in GM's view and costs 13 times as much as a leading generic.



"Are drug company ads driving up health-care costs? You bet," says Woody Williams, GM executive director of health-care initiatives. "Not everyone with heartburn needs the purple pill."

Direct-to-consumer drug advertising exploded in 1997, when the Food and Drug Administration loosened restrictions, and it has revolutionized drug marketing. The result has been a

torrent of ads hawking medicines just like soda, sometimes using celebrities as pitchmen. An ad for Zocor, the cholesterol drug, shows NFL coach Dan Reeves talking to kids and saying: "Taking care of my cholesterol has become an important part of my game plan." And Olympic gold-medalist Dorothy Hamill appears in an ad for Vioxx; while lacing her skates she confides: "Along with all the great memories has come something I thought I'd never experience -- the pain of osteoarthritis."

But a backlash is brewing from companies who think drug advertising steers consumers away from cheaper alternatives. **Ford Motor Co.**

REIGNING IN DRUG ADS

[Ad Agencies Begin to Participate in Development of New Drugs](#)¹

[Drug Makers Offer Consumers Coupons for Free Prescriptions](#)²

VIDEO

RealPlayerG2⁵ is required to see these videos.

See a video clip of Pharmacia's "skating" commercial for Celebrex.



[HIGH bandwidth](#)⁶ (DSL, T1)
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See a video clip of Pharmacia's "Zamboni" commercial for Celebrex.



[HIGH bandwidth](#)⁸ (DSL, T1)
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See a video clip of Pfizer's "diva" commercial for Lipitor.



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See a video clip of Pfizer's "pool hunk" commercial for Lipitor.



recently started a pilot program at one hospital offering a financial incentive to doctors'

Does advertising influence your use of prescription drugs? Participate in the [Question of the Day](#)³.

groups for prescribing more generics. GM launched a "Generics First" campaign early last year promoting generics in e-mails, paycheck stubs and corporate newsletters; the company's pharmacy-benefits provider also drops off free samples of generics at doctors' offices. So far, the efforts have increased the share of generic drugs prescribed to GM employees by 3%, saving some \$36 million.

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See a video clip of Pfizer's "roulette" commercial about high cholesterol.



[HIGH bandwidth](#)¹⁴ (DSL, T1)
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See a video clip of Pfizer's "shark" commercial about high cholesterol.



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Meantime, a coalition of companies including **Wal-Mart Stores Inc.**, **Weyerhaeuser Co.** and **Albertson's Inc.**, have joined with several state governors to urge Congress to speed the generic-approval process. The coalition, called Business for Affordable Medicine, is pushing to eliminate what it regards as legal loopholes that let makers of brand-name drugs extend their patents unfairly.

And on Capitol Hill, Rep. Pete Stark (D., Calif.) is proposing a bill that would bar drug makers from taking business-tax deductions for ads that don't prominently disclose the side effects. Big pharmacy benefits concerns such as Medco and AdvancePCS are making their own sales visits to doctors pressing the case that generics are just as good. The AARP plans to hammer home the same message to its 35 million members in the group's regular mailings.

DOCTOR, DOCTOR

Most frequently requested drugs by patients, Dec. 2001-Feb. 2002

- 1. Viagra 2. Lipitor 3. Zocor 4. Celebrex 5. Vioxx

Addictive Ad Spending		
<i>Below is a list of the 15 most heavily advertised drugs in 2001, by ad dollars spent.</i>		
Brand	Drug type	Jan.-Dec. 01 Dollars
Vioxx	Osteoarthritis	135425.49
Celebrex	Arthritis	130362.83
Nexium	Heartburn	126142.52
Viagra	Impotence	90627.82
Allegra	Allergy	89091.30
Zocor	Cholesterol	85640.62
Glucophage Xr	Diabetes	80903.71
Claritin	Allergy	79716.67
Imitrex	Migraine	70598.05
Flonase	Nasal	68989.05
Paxil	Anti Depression	65116.77
Zyrtec	Allergy	62709.03
Procrit	Anemia	59452.28

U.S. companies and health insurers are alarmed by what they see as two related trends: U.S. direct-to-consumer drug ad spending soared to \$2.49 billion in 2001 from \$859 million in 1997, according to data-research company CMR. Meanwhile, drug costs for large employers rose more than 16% annually beginning in 1997, says drug-benefits company Express Scripts Inc.

"The drug trends we see are not sustainable and they threaten the affordability of health care," says Robert Seidman, chief pharmacy officer at California insurer **Wellpoint Health Networks Inc.** "Direct-to-consumer ads make drugs cost more."

In defense of the ads, the pharmaceutical industry's main trade association says direct-to-consumer advertising makes people more aware of their options, educates them about side effects, and informs them of new treatments. Plus, adds Pharmaceutical Research and Manufacturers of America spokeswoman Jackie Cottrell, doctors are still in charge so patients won't get the wrong medicine just because they liked an ad on TV. "The patient doesn't necessarily get the medicine he asked the doctor about."

Singulair	Asthma	57896.92
Zoloft	Depression	55908.70
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Source: *CMR, a Taylor Nelson Sofres Company*

most heavily advertised drug in 2000, is now being shifted by AstraZeneca to the similarly pricey Nexium, which the company says offers "better healing and faster symptom resolution" than Prilosec. Now GM fears the advertising momentum for Prilosec will shift over to Nexium. "A lot of people could do just as well with Zantac or Tagamet," says GM health-care spokesman Rob Minton. An AstraZeneca spokeswoman says "it's still up to the medical professional to make treatment decisions."

Health insurer Blue Cross Blue Shield of Michigan is firing back with its own direct-to-consumer ads promoting generics. "Choose the unadvertised brand," one proclaims. Blue Cross also doles out coupons. "Essentially, we're giving people free samples of generics," says Blue Cross's Marianne Udow, senior vice president for health-care products. Ms. Udow adds that Blue Cross also offers pharmacists a higher dispensing fee to sell generics.

Wellpoint, in California, is designing an aggressive program that also will largely target lavishly advertised drugs. Wellpoint will determine an average, or "reference" price in a drug category. Any drug considerably pricier will need persuasive medical data on purported advantages, or consumers will have to pay as much as \$40 to \$50 of the cost. However, if a doctor tells Wellpoint the expensive drug really is necessary for a certain patient, the insurer will still pay. "We don't punish someone who needs it," says Dr. Seidman.

Highmark Blue Cross Blue Shield in Pittsburgh has taken aim at the expensive, new arthritis-pain drugs Vioxx and Celebrex, the Nos. 1 and 2 most heavily advertised medicines. The drugs' primary advantages appear to be for longtime, chronic users -- to avoid ulcers and gastro-intestinal pain. If a patient is using the drug for one week to treat tennis elbow, Highmark instructs pharmacists to ask the doctor if there is a good rationale for doing so. If not, Highmark won't pay the pharmacist -- who would then require the consumer to pay the full fare. Highmark now saves about \$12 million annually through such steps.

Despite such moves, most drug manufacturers say they have no plans to curb direct-to-consumer advertising, citing evidence that millions of people with conditions such as osteoporosis and high cholesterol don't get helpful medical treatment. "The biggest problem with medicines is underuse, not overuse," says Merck & Co. spokesman Greg Reaves.

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Updated March 13, 2002

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