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FOCUS ON

PHARMACY COSTS

PRICE TAG FOR PRESCRIPTION DRUGS, AND TO SELL THEM, GROWING

The pharmaceutical industry earlier this year launched a multi-million-dollar marketing campaign in an effort to silence the growing public outcry over escalating prescription drug prices. At the same time, the industry is spending billions of dollars on “Direct-to-Consumer” (DTC) advertising to get people to buy pricey new prescription drugs.

Kaiser Health News highlights the DTC spending growth, estimated at **\$6.4 billion** in 2016.

The New York Health Plan Association supports Governor Cuomo’s Executive Budget proposals that would cap prescription drug prices and capture excess pricing profits in both Medicaid and commercial markets.

Prescription Drug Costs Are On The Rise; So Are The TV Ads Promoting Them

By Bruce Horowitz and Julie Appleby | March 20, 2017



“Laura Ries was moved to action when she saw a TV commercial that portrayed a woman enjoying time with her grandchildren after taking Lyrica, a prescription medication for diabetic nerve pain. Ries’ elderly mother suffered from just that problem.

“ ‘The ad showed someone who was enjoying life again,’ said Ries, president of a marketing strategy firm in Atlanta, who then researched the drug and spoke with her mother’s doctor. ‘This ... was very relatable to what my mom was experiencing.’

“Her reaction was precisely the aim of direct-to-consumer (DTC) advertising: getting patients or their family members to remember a drug’s name and ask by name for a prescription.

“Spending on such commercials grew 62 percent since 2012, even as ad spending for most other product types was flat.

“But the proliferation of drug advertisements has generated new controversy, in part because the ads inevitably promote high-priced drugs, some of which doctors say have limited practical utility for the average patient-viewer. . . . Critics say the ads encourage patients to ask their doctors for expensive, often marginal — and sometimes inappropriate — drugs that are fueling spiraling health care spending.

“The American Medical Association took a hard-line position on these ads in 2015 by calling for a ban, saying ‘direct-to-consumer advertising also inflates demand for new and more expensive drugs, even when these drugs may not be appropriate.’

“For years, the DTC industry was mostly focused on drugs that relieved chronic, typically non-fatal afflictions like heartburn (Nexium), allergies (Claritin) and high cholesterol (Lipitor). More recently, advertising has focused on cancer and illnesses affecting seniors, such as Alzheimer’s disease. Ads for drugs that target constipation caused by other drugs — opioids — hit the scene last year, reflecting the large numbers of people taking painkillers.

“In 2016, the top three ads based on total spending were Lyrica, with \$313 million in spending; rheumatoid arthritis drug Humira at \$303 million; and Eliquis, a treatment for a type of heart arrhythmia, at \$186 million.”

Read More: <http://khn.org/news/prescription-drug-costs-are-on-the-rise-so-are-the-tv-ads-promoting-them/>

“Pharmaceutical advertising has grown more in the past four years than any other leading ad category.”
— Jon Swallen, chief research officer at Kantar Media