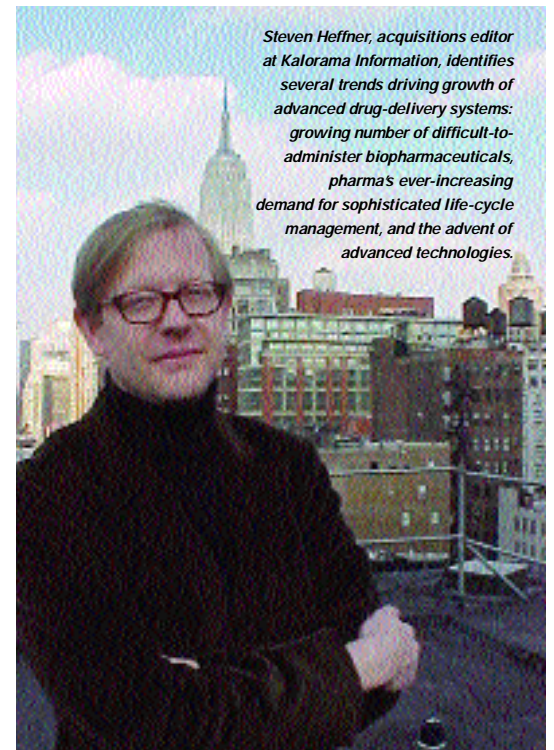


## \$7 Billion in revenue predicted for **ADVANCED DRUG-DELIVERY SYSTEMS** by 2005

The market for drugs employing advanced drug-delivery technologies will surpass \$7 billion by 2005, according to a study from Kalorama Information. The market segment has seen double-digit growth over the past few years, and analysts predict that this trend should continue. Moreover, The Market for Advance Drug Delivery Systems study reveals that revenue attributable to the delivery technologies themselves, separate from those attributable to the pharmaceutical component sales, are gaining ground faster than the segment as a whole.



*Steven Heffner, acquisitions editor at Kalorama Information, identifies several trends driving growth of advanced drug-delivery systems: growing number of difficult-to-administer biopharmaceuticals, pharma's ever-increasing demand for sophisticated life-cycle management, and the advent of advanced technologies.*

"There appear to be several factors driving the expansion," says Steven Heffner, acquisitions editor at Kalorama Information. "Among them are the grow-

### PHYSICIANS RATE PHARMACEUTICAL COMPANIES THAT BEST SUPPORT THEIR NEEDS

**PHYSICIANS HAVE RATED PFIZER, MERCK, GLAXOSMITHKLINE, ORTHO-MCNEIL PHARMACEUTICALS, ELI LILLY, AND AVENTIS AS THE COMPANIES THAT BEST SUPPORT THE OVERALL NEEDS OF THEIR PRACTICES, ACCORDING TO INFORMATION COLLECTED BY HEALTH PRODUCTS RESEARCH INC., A DIVISION OF VENTIV HEALTH INC.**

About 9,000 physicians participated in HPR's Metropolitan Area Promotional Audit — a monthly service providing insights and trends on pharmaceutical/healthcare company promotional activities and salesforce structure. Physicians were asked to rate the top three companies best supporting the overall needs of their practice, and the factors distinguishing these companies from the rest. Information was collected from November to December 2001. In total, 11 unique specialty segments were represented in the research.

Among the broader general/family practitioner audience (1,115 respondents), Pfizer (54%), Merck (35%) and GlaxoSmithKline (32%) ranked one, two and three, respectively. The most common themes cited by physicians for ranking Pfizer were: availability of drug samples; frequency of seeing the rep; quality of patient education; and the on-going support of professional education through CME programs. Pfizer ranked No. 1 among 5 of the 11 specialty segments covered in the research, including internal medicine, pediatrics, general surgery, cardiology, and general/family practice, and placed within the top 3 in 10 out of the 11 specialty segments covered (oncology being the only exception).

Among pediatricians (1,470 respondents) participating in the research, Pfizer (34%) edged out Ross Products (32%) and GlaxoSmithKline (32%) for the top position. Physicians like the fact that Ross — a division of Abbott Laboratories — has a "full range of infant formula products," in addition to providing excellent support of patient programs, including infant formula samples, coupons, booklets, and growth charts.

More than 60% of the 1,000-plus OB/GYNs surveyed ranked Ortho-McNeil Pharmaceuticals as the company that best supports this specialty group. Wyeth-Ayerst (41%) and Pfizer (30%) followed.

OB/GYNs frequently cited Ortho-McNeil as having "friendly and courteous" sales representatives who are sensitive to

CARDIOLOGY (520)
1. Pfizer
2. Merck
3. Bristol-Myers Squibb

GENERAL/ FAMILY PRACTICE (1,115)
1. Pfizer
2. Merck
3. GlaxoSmithKline

GENERAL SURGEON (475)
1. Pfizer
2. Merck
3. Bayer

INTERNAL MEDICINE (1,300)
1. Pfizer
2. Merck
3. GlaxoSmithKline

NEUROLOGY (530)
1. GlaxoSmithKline
2. Pfizer
3. Novartis

OB/GYNs (1,020)
1. Ortho-McNeil
2. Wyeth-Ayerst
3. Pfizer

ONCOLOGY/ HEMATOLOGY (195)
1. Aventis
2. Bristol-Myers Squibb
3. Ortho-Biotech

ORTHOPEDIC SURGEONS (925)
1. Merck
2. Pfizer
3. Pharmacia

PEDIATRICIANS (1,470)
1. Pfizer
2. Ross Products
3. GlaxoSmithKline

PSYCHIATRISTS (1,025)
1. Lilly
2. Pfizer
3. GlaxoSmithKline

PULMONARY DISEASE (300)
1. GlaxoSmithKline
2. Merck
3. Pfizer

ing number of difficult-to-administer biopharmaceuticals, pharma's ever-increasing demand for sophisticated life-cycle management, and the age-old catchall — because the technologies are there."

The study, available at MarketResearch.com, is the final installment in a five-volume study of drug-delivery technologies conducted over the past year. In addition to the main technologies covered — liposomal, monoclonal antibody-based, and polymer-based technologies — the current report discusses developments of a variety of newer technologies such as nanoparticles, molecular imprinted polymers, metallofullerenes, pro-drug delivery, and others.

## Off-label use of **ANTIPSYCHOTIC DRUGS** to drive market growth

Atypical agents have emerged as the products of choice in the antipsychotic market, garnering more than 80% of sales in the seven major pharmaceutical

the physician's time constraints, in addition to having an excellent women's health product line, strong patient education support, and excellent sampling support for its product line.

GlaxoSmithKline ranked No. 1 among neurologists (57%), followed by Pfizer (44%), and Novartis (35%). GlaxoSmithKline also ranked first among pulmonary disease specialists, with 82% of this audience citing the company — by far the highest percentage achieved by any company covered in the research.

Merck achieved the top position among orthopedic surgeons, with 57% of physicians citing the company as best supporting their needs, followed by Pfizer (49%) and Pharmacia (33%). Lilly (52%) ranked first among psychiatrists, followed by Pfizer (48%) and GlaxoSmithKline (30%). Within the oncology/hematology sector, Aventis Pharmaceuticals (41%) was rated No. 1, followed by Bristol-Myers Squibb (36%), and Ortho Biotech (33%).

Interestingly, analysis of the research by physician segment did yield differences in company rank among certain specialty groups. For example, among cardiologists, Pfizer (64%) and Merck (58%) ranked No. 1 and No. 2 overall. However, among those cardiologists writing a larger number of prescriptions (decile 5-10 physicians), Merck was the top ranked company, accounting for 67% of the physician mentions among this segment, followed by Pfizer (58%). Based on information captured in the MPA service, Merck sales representatives are reaching a greater proportion of these higher-value physicians than any other company.

markets — the U.S., France, Germany, Italy, Spain, the United Kingdom, and Japan — in 2000.

In its study Overview of Antipsychotics, Decision Resources Inc. finds substantial growth is expected in on- and off-label use of atypical agents in the treatment of bipolar disorder over the 2000-2010 forecast period. By the second half of the study period, Zyprexa (olanzapine), Eli Lilly's medication, could be approved for long-term prophylaxis in bipolar disorder (BPD) if investigations confirm its long-term efficacy.

The study, which examines the market for antipsychotics to treat schizophrenia, BPD, and other psychotic disorders, also predicts Janssen's Risperdal (risperidone) will achieve significant gains in the BPD market. This drug is expected to be approved for the treatment of BPD by 2003 in the U.S. and in Europe and will compete head-to-head with Zyprexa. Pfizer's Geodon/Zeldox (ziprasidone) and AstraZeneca's Seroquel (quetiapine fumarate) also will compete effectively in the BPD arena, possibly taking market share from Zyprexa if they are shown to be efficacious for manic symptoms.

The availability of atypical agents in short-acting intramuscular formulations will expand the use of these drugs in acute settings. The commercial benefit of this strategy lies in the likelihood that physicians will opt to continue patients on an oral or depot version of the same drug that is administered in the acute setting.

The report projects that sales of antipsychotic medications will surpass \$8.1 billion in 2005, with growth being driven primarily by continued transition from generically available typical antipsychotics to more expensive atypical agents and increased use of atypical antipsychotics in nonschizophrenic indications. The U.S. is the strongest and most dynamic market for the higher-cost atypical antipsychotics, but acceptance of these more tolerable drugs is growing in Europe. The Japanese market will evolve dramatically over the next five years as more atypical agents are launched.

## Public health overlooked in debate **ON DTC ADVERTISING**

The public's health may be taking a back seat in the national debate over direct-to-consumer advertising. The results of a nationwide five-year trend survey conducted by Prevention magazine, a leading consumer magazine, along with technical assistance from the Food and Drug Administration suggests the public benefits from DTC advertising.

"The study suggests that DTC informs consumers about both the benefits and the risks of advertised medicine," says Nancy Ostrove, formerly deputy director of FDA's division of Drug Marketing, Advertising and Communications. "Although there is room for improvement, giving consumers information in a balanced way should help them participate in their own care and serve the public health. We enjoyed working with Prevention on this survey because it is one of the few public surveys available which tracks consumer reactions to DTC ads prior to and following the FDA August 1997 draft guidance for broadcast advertising. The Prevention survey helps both industry and FDA understand how consumers react to this new form of health communication."

Ed Slaughter, director of market research at Rodale, the parent company of Prevention adds, "The legitimate debate over the positive and negative results of DTC advertising seems to be coming down to cost versus public health. While there clearly are cost implications, the fact is this form of advertising informs millions of Americans about their

treatment options, and helps them to have open discussions with their doctor about important health issues."

This study builds on an ongoing body of consumer research conducted by Prevention and Rodale that provides a broad-based understanding of preventive health and self-care in the U.S.

According to the study, Americans are taking control of their health, with as many as 156 million (81%) saying DTC advertising informs them about new treatments for a condition they may be suffering from. Furthermore, 123 million (64%) say DTC advertising helps them be more involved in decisions about which medicine is right to take; 154 million (80%) say DTC informs them about the benefits of the drug; and 135 million (nearly 70%) say it informs them of

the risks of the drug.

It also is believed that DTC advertising may help patients stay compliant with prescribed drug therapies. The survey reveals that 55 million Americans (57%) who use prescription drugs have seen advertising for their medicine; 22 million (40%) of those people say the ad makes them feel better about the benefits; 19 million (34%) say the ad makes them feel better about safety; and 9 million (17%) say the ad makes them more likely to take their medicine.

"Although the results are not 100% conclusive, the data seem to suggest a positive association between advertising and compliance," Ms. Ostrove says. "That relationship is important because many of the advertised medicines treat long-term chronic disease. Anything to keep people compliant with their course of treatment should have public health benefits and might even reduce long-term health-care costs."

### CONSUMER RESPONSE TO DTC ADVERTISING

- ▶ **191 million (99%)** of Americans have seen a DTC advertisement
- ▶ **55 million (57%)** of Americans who use prescription drugs have seen advertising for "their" medicine
- ▶ **22 million (40%)** of those people say the ad makes them feel better about the benefits
- ▶ **19 million (34%)** say the ad makes them feel better about safety
- ▶ **9 million (17%)** say the ad makes them more likely to take their medicine

Survey data come from phone interviews with a nationally representative sample of 1,601 adults age 18 or older living in the continental U.S. Interviews were conducted by Princeton Survey Research Associates from September 19, 2001, to November 7, 2001. The margin of error due to sampling and other random effects is plus or minus three percentage points for results based on the total sample.

## Medical management evolving to targeted, **HANDS-ON APPROACH**

A growing number of companies are turning to care-management approaches such as case management and disease management to complement utilization management oversight, according to a study into national trends in medical management from URAC. The study — Trends and Practices in Medical Management: 2001 Industry Profile — addresses the practice and evolution of utilization management and how that relates to case management and disease management. More than 120 companies were included in URAC's research, which consists of both company surveys and interviews with healthcare leaders.

Case-management and disease-management programs are being deployed to improve compliance with evidence-based care recommendations and thus improve patient outcomes, the study finds.

"We saw companies seeking to dramatically reduce the volume of pre-certifications they were doing by focusing only on those procedures likely to be over-utilized or misused," says Michael Hattwick, M.D., a consultant to the study who helped run URAC's focus groups of medical management organization leaders. "Those companies took the staff and financial resources and invested them in more case management and disease management for high-need patients. They are building a high-return model by increasing care management and discharge planning, and reducing emphasis on prior authorizations. An intentional by-product of this strategy is reduced administrative burden for physicians and, the companies hope, better relationships with physicians."

As evidence of the growing demand for an integrated approach, 96% of survey respondents believe that customers will want more discharge planning, and 97% believe they want more patient referral to case management and disease management. Almost 80% believe that customers will seek more telephonic demand management in the future.

"For several years we've been hearing that utilization management is becoming passe," says Garry Carneal, URAC president and CEO. "Our study shows that companies still view utilization management as an important tool for evaluating medical necessity. However, companies are now using utilization management as a gateway — they are reviewing fewer procedures, but looking more closely at each

encounter to identify opportunities to improve and coordinate care more effectively. Companies are hoping that more targeted utilization management will improve patient outcomes and will also help restore relationships with physicians and other providers."

## New Medicare drug **DISCOUNT CARD PLAN** unveiled

Efforts to help senior citizens get more affordable drugs have taken another step forward with Medicare officials unveiling a new version of their proposed drug discount card. However, pharmacy groups that have opposed the idea predict the proposal will end up back in court.

The plan envisions that senior citizens buy cards for \$25 or less that would then entitle them to lower prices from drug companies and pharmacies, says Tom Scully, head of the Centers for Medicare and Medicaid Services.

But drugstores have taken an earlier version of the plan to court, saying that the Medicare agency simply does not have the legal authority to create such a plan. They also fear the program could lure more seniors to mail-order prescription services, hurting their business.

Many congressional Democrats have said the plan won't do much to help most needy seniors, and consumer groups also have expressed reservations, with one predicting the cost savings would be less than 12%. Medicare, established in 1965, does not generally cover outpatient drugs. Although many

**UTILIZATION MANAGEMENT: A NECESSARY TOOL**

- Companies are developing more efficient approaches to utilization management by reducing the number of procedures certified, or concentrating on providers or procedures outside of utilization norms.
- Companies are linking or integrating medical management programs such as utilization management and care management, or care management and disease management, and are enhancing referral and information sharing capabilities between these programs.
- Staffing needs for medical management services are changing as companies shift their emphasis to case management and peer consultation and carry out fewer direct utilization-management-related authorizations.
- Medical-management companies rely heavily on externally developed criteria and guidelines to assist in medical-management decision making. They expect developers of commercial criteria to incorporate the best available evidence into review criteria.

Medicare recipients do have some coverage through private insurance or government programs for the poor, 10 million or more elderly people have to pay the often hefty costs out of their own pockets.

Mr. Scully says changes in the structure will make sure that the discounts reach the actual patients. The new version also sets up an advisory council for the program.

### Follow up

**DECISION RESOURCES INC.**, Waltham, Mass., is a world leader in pharmaceutical research publications, advisory services, and consulting designed to help clients shape strategy, allocate resources, and master their chosen markets. For more information, visit [dresources.com](http://dresources.com).

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**PREVENTION MAGAZINE**, is a division of Emmaus, Pa.-based Rodale, a leading publisher of information on healthy, active lifestyles. For more information, visit [prevention.com](http://prevention.com).

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