

# ISSUE BRIEF:

THE SALE OF PHYSICIAN PRESCRIBING DATA RAISES HEALTH CARE COSTS—THE NATIONAL PHYSICIANS ALLIANCE CALLS FOR A BAN



## Databases about physicians' prescribing practices have been created, sold, and used without physicians' knowledge or consent.

- Pharmacies compile databases that show how many and which medications individual physicians prescribe; these databases are sold to Healthcare Information Organizations (HIOs). HIOs combine this information with data from the Physician Masterfile, purchased from the American Medical Association (AMA).
- The Physician Masterfile contains information on virtually every physician in the United States *including the two-thirds of physicians who are not AMA members.*
- This combined data set is then sold to pharmaceutical companies. These companies arm their drug detailers with the prescribing data of physicians in their area so they can target individual physicians with finely tuned sales pitches.
- A study from the Kaiser Family Foundation in 2001 found nearly three-quarters of physicians disapprove of this practice.<sup>1</sup>

## This raises the cost of health care by promoting inappropriate and expensive prescribing.

- This practice is bad for public health because it raises costs to patients by promoting inappropriate prescribing of expensive drugs. Pharmaceutical representatives—who have personal relationships with many physicians and their office staff—routinely persuade physicians to prescribe newer and more expensive medications when cheaper and equally good or sometimes even better alternatives exist.
- The prescribing data allows drug detailers to tailor their marketing messages to individual physicians and use carefully selected data to convince doctors to change their prescribing to a particular company's product.

- While retail data is commonly sold in many fields, the relationship between a physician and patient is a unique one. Physicians are entrusted by society to act in their patients' best interests, yet physicians are demonstrably influenced by the marketing strategies of drug detailers.<sup>2</sup> The best way to ensure that physicians retain the trust of patients is to warrant it, by eliminating this commercial intrusion into the doctor-patient relationship. Medical decision-making must remain scientific and objective.

## The AMA, pharmacies, and pharmaceutical companies all have a financial interest in the status quo.

- The AMA received **\$44.5 million in 2005** from sales of data from the Masterfile.<sup>3</sup>
- Pharmacies and HIOs clearly benefit from the system. One of the leading HIOs, IMS Health, had revenues of **\$1.75 billion in 2005.**<sup>3</sup>

## Recent efforts have begun to address this problem.

- New Hampshire passed a law in 2006 that bans the sale of physician-specific prescribing data.
- The American Medical Association recently began the Prescribing Data Restriction Program (PDRP). The PDRP allows physicians to prevent their own prescribing data from being released to pharmaceutical detailers, or to "opt-out."
- The California Medical Association, working with IMS Health, is planning to start a program in 2007 that will allow physicians to access their own prescribing information but that continues to permit pharmaceutical companies to purchase prescribing data.

## The AMA's opt-out program falls short. A complete ban is needed on the sale of prescribing data.

- Many physicians do not and will not know that the AMA's opt-out program exists.
- If physicians want their prescribing data sold to pharmaceutical companies, they should have to "opt-in."
- The AMA only allows physicians to opt-out for three years; it will be difficult for physicians to remember to opt-out repeatedly.
- Even if physicians opt-out using the AMA's PDRP, pharmaceutical companies can still purchase the data from the AMA. The opt-out only means that pharmaceutical companies have agreed not to release individual provider information to their drug detailers, but there is no law that prevents them from doing so.
- The AMA's Masterfile helps pharmaceutical corporations target their detailing practices. However, even without the Masterfile, companies will be able to obtain some information from pharmacies about physicians' prescribing practices. Thus, more global protection is needed than what the AMA can offer with its opt-out program.

## The National Physicians Alliance supports a legislative ban on the sale of physician prescribing data for commercial and marketing purposes.

- A ban on the sale of prescribing data is good for patient care and will save money by reducing the aggressive marketing by drug companies that contributes to inappropriate and more expensive prescriptions.
- Legitimate, noncommercial uses of prescribing data such as clinical and health services research can and should be exempted. For example, government agencies or university researchers should be able to use the data to evaluate prescribing practices.
- The NPA supports legislation modeled after New Hampshire HB 1346 enacted June 30, 2006.

### References

- <sup>1</sup> National Survey of Physicians Part II: Doctors and Prescription Drugs. *Kaiser Family Foundation*. Available at: <http://www.kff.org/rxdrugs/upload/Highlights-and-Chartpack.pdf>.
- <sup>2</sup> Brody H. The company we keep: why physicians should refuse to see pharmaceutical representatives. *Ann Fam Med*. Jan-Feb 2005;3(1):82-85.
- <sup>3</sup> Steinbrook R. For sale: physicians' prescribing data. *N Engl J Med*. Jun 29 2006;354(26):2745-2747.



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