Prescription for the People
Quigley, Fran

Published by Cornell University Press

Quigley, Fran.

For additional information about this book
https://muse.jhu.edu/book/56377
As we have seen, the justification claimed by the pharmaceutical industry for patent monopoly protections and the resulting high prices for drugs centers on its need to fund research and development of new medicines. Conspicuously absent from that justification is any mention of the money the industry spends to sell and market its drugs. But those costs are not absent from the corporate balance sheets. In fact, the sales and marketing expenses of the pharmaceutical corporations are significantly larger than their investments in research.

The exact figures vary from corporation to corporation and from year to year and are often not fully revealed in public, but the overall picture is of an industry that spends nearly twice as much on selling its existing products than it does on researching new ones.\(^1\) Here is one example: in 2013, Johnson & Johnson spent $8.2 billion on research and development, and $17.5 billion on sales and marketing.\(^2\) Another example: in 2014, Pfizer spent $8.4 billion on research and development, and $14.1 billion on sales and marketing. That same year, the Pfizer research
and development costs were also exceeded by the money it spent paying dividends to its stockholders and the financial maneuver of buying back its own shares of stock.³

The United States is one of just three countries in the world that allows direct-to-consumer advertising of drugs—New Zealand and Brazil are the others.⁴ Pharmaceutical corporations spend over $5 billion per year for such ads, and they do so for one reason: they work.⁵ Commercials for branded drugs have been proven to motivate patients to ask their doctors about the drugs being promoted and often to directly request a prescription for them.⁶ In addition, patients who see drug advertising are more likely to ask their physician for the more expensive branded versions, even when there are generic alternatives.⁷ And doctors are more likely to prescribe the branded drugs when their patients ask about them.⁸

In the United States, the Medicare system spent $4 billion in 2013 on branded and heavily marketed medicines for heartburn and high cholesterol, even though far cheaper alternatives were available.⁹ In 2015, physician members of the American Medical Association voted to support a U.S. ban on direct-to-consumer advertising, saying “a growing proliferation of ads is driving demand for expensive treatments despite the clinical effectiveness of less costly alternatives.”¹⁰

Many of us in the United States are weary of the seemingly endless drug commercials on U.S. television, online, or in glossy advertisements in magazines and newspapers—1.3 million of these TV ads are broadcast annually with well over 100 airing each and every hour, which together cost the industry more than $4 billion.¹¹ So it may come as a shock to learn that these commercials do not represent the biggest marketing investments of the drug companies. Those companies actually spend six times more on pitching their products to those who write the prescriptions than they do on advertising directly to consumers.¹² The marketing-to-prescribers approaches include a practice the industry calls “detailing”—face-to-face meetings with health care providers, which are accompanied by gifts and meals, free samples, and sponsorship of professional meetings and journals.

A 2007 report in the New England Journal of Medicine showed the remarkable penetration of these efforts in the United States: 83 percent of physicians reported receiving food and beverages in the workplace from drug companies; 78 percent reported being given drug samples by a
manufacturer representative; over one-third reported receiving reimbursements for the costs associated with professional meetings or continuing medical education; and more than one-quarter reported receiving payments for consulting, speaking, or enrolling patients in trials.\textsuperscript{13} Some of the most egregious excesses of the marketing process have recently been curbed by the industry and physicians, but the overall intensity of the sales job remains at a high level. Drug corporations now deploy a whopping 72,000 pharmaceutical sales representatives in the United States alone.\textsuperscript{14}

Similar to direct-to-consumer advertising, the marketing to physicians has proven to be an effective strategy for pharmaceutical corporations. A recent study analyzing data from 12 drug companies, more than 330,000 physicians, and nearly 1 billion prescriptions found that physicians who received drug company payments were significantly more likely to prescribe the drug sold by that company.\textsuperscript{15} Another study showed the physicians who accepted free meals from drug companies were far more likely to prescribe brand-name drugs than the generic versions.\textsuperscript{16} Giving out free drug samples have been shown to increase the likelihood that, after the freebies run out, physicians will prescribe the medicine even if it is inappropriate or more expensive than alternatives.\textsuperscript{17} Add it all up, and that marketing contributes mightily to Americans’ spending an extra $24 billion each year as a result of bypassing cheaper generics for higher-price brand-name drugs.\textsuperscript{18}