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HEALTHCARE & MEDICAL ISSUE

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Lobby business booms with new PhRMA contracts

By Jon Gingerich

As recession looms over many industries, big PhRMA, insurance giants and healthcare trade associations have continued to drop record amounts on beltway PR, leading some to believe that defeating Obama's health plan has become big business for lobbying groups and the government affairs industry.

Lobbying dollars from the pharmaceutical and health sector have so far totaled more than \$134 million for 2009. Of this money given to lobbying groups, the top five U.S. pharmaceutical companies account for about \$40 million, according to figures obtained by O'Dwyer's as required by the Lobbying Disclosure Act.

No expense too great

Pfizer Incorporated has so far given nearly \$19 million to more than a dozen lobbying groups in 2009 alone, with at least three contracts totaling more than \$5 million each. This totals about \$7 million more than what the company gave last year. The largest pharmaceutical company in the world, Pfizer reported revenues of \$48 billion in 2008. The company reported a net income of more than \$8 billion for 2008.

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Confusion and misinformation plague Obama healthcare plan, surveys report

By Jon Gingerich

A series of independent polls conducted in September have arrived at the same conclusion: despite dominating the national conversation for months, though it has received more media coverage than the economy, Swine Flu or Afghanistan, most Americans simply don't understand President Obama's proposed health plan currently under consideration in Congress.

These findings, the results of a series of reports by media groups, national research organizations and PR firms, each conclude that the specifics of the plan — how it is to be funded and who it will cover — are widely misunderstood. Add this fact to the ill-fated "public option," which fell at the

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PR pros and Washington insiders believe the Obama Administration can do more to clear up wide-spread confusion and mistruths regarding the proposed healthcare reform packages currently making their way through Congress.

Condition critical: facts, evidence-based science beats brands in healthcare debate

By Gil Bashe

Angst surrounding the current healthcare debate is whipping the American people into a frenzy of fear. As the public voices concern on continued access to physicians and chronic-care medicine, the current healthcare debate takes on a Wal-Mart polemic, where comparative effectiveness — a given in any healthcare reform legislation — becomes the standard of therapeutic intervention. Part perception and part evidence-based medicine, it's touted as one of the many ways Federal programs will reduce drug costs to subsidize healthcare reform.

While Congress rallies to put concrete guidelines on a theoretical concept and pundits pontificate about its impact on our system, the private sector is already putting it into practice. Our industry's takeaway? If healthcare public relations agencies are still wondering "what's to come?" on the comparative-effectiveness horizon, they are already behind in equipping their talent to

address rapidly evolving client needs.

The facts paint a clear picture of where the industry is headed: already, more than 70 percent of medicines now dispensed are generics. Pharmacy Benefit Management (PBM) mega-companies like Medco and Express Scripts have an ability to track physician utilization and contact neighborhood pharmacies, transforming brand prescriptions into lower-cost generic alternatives. When brands no longer matter, do health policy, public-relations education and consumer information matter? Absolutely. In fact, now more than ever.

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O'Dwyer's 2009 rankings of top Healthcare PR firms, Pg. 39

1. Edelman	\$92,974,269
2. Ruder Finn	48,700,000
3. APCO Worldwide	33,720,000
4. WeissComm Partners	18,981,000
5. Schwartz Comms.	11,953,379

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Grassroots campaigns bring compliance to healthcare

By Louis Tharp

Pharmaceutical advertising and PR has become an altruistic endeavor. In a few weeks, a pharmaceutical company can do what hundreds of non-profits can't achieve in a lifetime: educate the public and drive those affected to their doctor to talk about it. In 2009, who doesn't know what Restless Leg is? The dangers of high cholesterol? The prevalence of Erectile Dysfunction?



Louis Tharp

But where does compliance come in, or the sales and good health that comes from it? If you don't count the cold-sweat that comes from looking down at what used to be a fat product pipeline, compliance is the "it" issue. For a long time we were satisfied with 50 percent compliance — more for some demographic slices of specific conditions — because there was another blockbuster in clinical trials. That was before the pipe got an echo.

From the first cryptic TV ads in 1996 to the lame PR attempts to get drug mentions

on the evening news, we weren't ready to actively accept what we all knew from the beginning. Drugs are not consumer goods so why are we selling them that way? Getting new prescriptions — advertising's strongest attribute — is not the way to a healthy patient or a healthy bottom line. There is not a simple seller-purchaser relationship. There are influencers and decision-makers who can trump patient's desires and a drug company message — payers, the FDA, doctors, domestic partners, employers.

In order to create a healthy patient, the message has to be about compliance, and the most compliant patients are those who are emotionally committed to controlling their disease. Like eating fast food or smoking, promoting logical reasons for taking medications is not nearly as powerful as identifying the emotional reasons for wanting to. We know the logic isn't there, but we do it anyway. We are slick dissonance masters, self-destructive practitioners of "it seemed like a good idea at the time."

But, the dissonance stops at the grassroots level. Grassroots never had \$50 million ad budgets or publicists whose big idea was renting a ballroom and wondering why there was so much food left over. The dissonance stops because the emotion takes over. Emotion is why grass-

roots works — whether we're talking politics, multi-level marketing or compliance. Win their hearts and you will win their minds when you are talking with people about their health. Logic comes after emotion.

Except for a few conditions such as breast cancer and HIV, which are grassroots-based and invited pharma in to play, there hasn't been much sensitivity to the incredible benefits of grassroots, and the successes in treatment protocols, compliance, and strength of community. Grassroots has moved these diseases into the path of recognition, respect, community support, high compliance, and national consciousness. Compare this to the material for late night comedians, and a fairly steady stream of constituent complaints to Congress that so many national advertising and traditional PR campaigns have ignited.

Sometimes, as in the case of Ryan White, there is a symbolic leader. Sometimes the symbolism is death and direct action. And when you see a breast cancer or HIV demographic with low compliance, such as underserved low socio-economic markets, it's not that this group hasn't seen the ads, it's that they don't have the benefit of a strong grassroots program.

Since the U.S. was the first country to actively promote prescription drugs, we've had the additional responsibility of creating the genre and meeting expectations of multiple audiences. It is instructive to see how many other countries have adopted national advertising and PR campaigns. Some have moved a little, but all have kept their grassroots programs — through doctors, institutions, civic, religious and family members — as the primary communications vehicle.

Why not in the U.S. then? In addition to the good, U.S. Healthcare is known for its bizarro-world realities.

- We spend more than any other country on healthcare but we get less.
- We call ourselves civilized but we don't think healthcare is a right.
- If a person has an illness, that is a reason to refuse insurance, often ensuring no treatment.
- Grassroots activities are expensive and national advertising is cheap.

Assuming that national advertising is

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less expensive than grassroots is like not driving your Bentley for a month and bragging that it used less gas than a hybrid. The gross numbers for advertising are often at least 10 times bigger and the ROI is weaker except for mass market education and as an initial branded awareness driver. Pharma is noticing, too, and its reaction is to cut budgets and recognize the crisis.

When faced with a financial crisis you can cut costs or raise revenues. PR people have been bred on cost cutting and have not been allowed, and sometimes have willingly and with good reason, removed themselves from the other half of the financial crisis equation — raising revenue.

While traditional PR may have good reason to be on the cost side of the ledger, grassroots, even though it usually is classified as a PR discipline, clearly falls in the revenue-generation category, like advertising and detailing.

Who's to blame for the improper categorization of grassroots? Almost everyone, and we've all gotten so used to defining it as a cost center, that even when we see the ROI — the hard-metric that comes from a change in prescribing habits — we are tempted not to believe it because our traditional ROI calculation is something like this:

Grassroots program: 250 people (if you're lucky) in 10 cities. 2500 people. Cost: \$1 million. Brand team response: I could have bought them all a Bentley, and the gas for it.

In the case of grassroots, the hard metric ROI is not how many people show up for your special little show. It's how many physicians endorse your product to their patients, how many online word-of-mouth positives appear, how many organizations carry your message to their members, how many caregivers make sure the patients stays on track, how credible and complete your grassroots program really is. Ultimately, does the initial change in prescribing habits justify the cost, and does the longer term compliance enhance the ROI further? If grassroots doesn't do this, it's not grassroots, it's a cost-center PR program designed to fulfill some other objective such as column inches or community service.

One of our most successful programs lasted five years. We were measuring quarter-to-quarter with an objective of year-over-year new prescription and refill increases. We were in the most competitive market with competing

OTC and pharma products. We focused on one-on-one communication with patients nationwide, using an individual message that scaled up. We focused on helping patients change their identity from a person with a chronic disease to a person with many interests whose personal lifestyle and prescription drugs allowed them to put themselves in a bigger, healthier picture. Sometimes we had 1,500 people at an event. Sometimes we had 15. But we always influenced the influencers.

And everything we did went to the rev-

enue column. At one point we had a 5:1 ROI.

One of our biggest failures lasted four months. It was illogically stopped when an arbitrary number of patients didn't show up at the first four events. No hard-metric ROI to determine prescribing was ever calculated. The company was off doing a Bravo commercial that had nothing to do with the grassroots program. Everything the company did, including grassroots, went to the expense column.

Louis Tharp is CEO of TGI Healthworks. ■



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