

# A New Approach to DTC Television Advertising

America's biopharmaceutical research companies recognize it is time for meaningful changes to our health care system. Our industry is committed to working with others to put forth solutions that will benefit patients. One important way we can improve our health care system is by providing meaningful transparency to help patients make the most effective health care decisions for themselves and their families.

Today, PhRMA is announcing the industry's commitment to providing more transparency about the costs of medicine. Over the coming months, the industry will be taking the following actions to improve the health care system to the benefit of all patients.

## Making it Easier for Patients to Access Information About Medicine Costs

PhRMA member companies are taking a new approach to how they communicate about medicines in direct-to-consumer (DTC) television advertisements to make it easier for patients to access information about medicine costs. The Administration and Congress have called on our industry to provide cost information in DTC advertisements, and our members are voluntarily stepping up to the plate. Research shows patients want information and context about their costs and we are committed to providing patients with the transparency they want. PhRMA member companies' DTC television advertisements will soon direct patients to information about medicine costs, including the list price of the medicine, out-of-pocket costs and other context about the potential cost of the medicine and available financial assistance.

On October 2, the PhRMA Board of Directors adopted enhancements to PhRMA's voluntary DTC principles, [Guiding Principles on Direct-to-Consumer Advertisements About Prescription Medicines](#) (originally adopted in 2006). The DTC Principles have been expanded to include a new guiding principle stating:

*"All DTC television advertising that identifies a medicine by name should include direction as to where patients can find information about the cost of the medicine, such as a company-developed website, including the list price and average, estimated, or typical patient out-of-pocket costs, or other context about the potential cost of the medicine."*

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[All current PhRMA members](#) have voluntarily and independently committed to being signatories to the updated DTC Principles. The revised Principles become effective on April 15, 2019, but changes to PhRMA members' DTC television advertisements will begin in the coming months. Signatory companies' CEOs and chief compliance officers will certify on an annual basis that they have policies and procedures in place to foster compliance with the updated principles.

Comments from PhRMA Board members on their commitment to this new approach to DTC television advertising and new patient affordability platform [can be found here](#).

# New Platform to Provide Patients with Cost and Financial Assistance Information

Over the last decade, PhRMA member companies have shown their commitment to patients through the existing Partnership for Prescription Assistance (PPA) program, helping more than 10 million patients access their medications for free or nearly free. However, in today's changing health care landscape, PhRMA member companies want to do more.

*That is why the biopharmaceutical industry will also launch a new platform that will provide patients, caregivers and providers with cost and financial assistance information for brand-name medicines, as well as other patient support resources.*

To do this PhRMA will be partnering with consumer, patient, pharmacist and provider groups – including CancerCare, the National Alliance on Mental Illness, the National Consumers League, the National Community Pharmacists Association, the National Hispanic Council on Aging and the National Medical Association – to develop a new patient affordability platform that will launch in early 2019. The new site will include resources, such as:



Resources to help patients navigate their insurance coverage



Information on how to access company-specific patient assistance and other forms of cost-sharing support, which isn't currently available on the PPA site



An enhanced search tool that will include medicine-specific public cost and affordability information, including the new information companies will direct patients to via their DTC TV advertisements

## Delivering the Information Patients Want and Need

One proposal the Administration included in their drug pricing blueprint and members of Congress have advocated for is a requirement that companies include medicine list prices in DTC television advertisements. PhRMA remains concerned that just including list prices in these advertisements is not sufficient and could discourage patients from seeking needed medical care. List prices are not a good indicator of what a patient will pay at the pharmacy counter and do not reflect the substantial discounts and rebates negotiated by insurers and pharmacy benefit managers. In addition, any such requirement would raise significant legal issues, including First Amendment concerns.

The two actions announced by PhRMA member companies will provide patients with the information they want to make more informed health care decisions.

*A new Morning Consult survey commissioned by PhRMA shows that patients want more information and context about their medicine costs and are concerned that including only the list price in DTC advertisements could cause confusion or cause patients to delay needed medical care.*

Americans strongly support a more comprehensive approach, preferring it by a 3:1 margin (61 percent to 23 percent) to a proposal that includes just the list price of a medicine in DTC advertisements. Voters across party lines believe the more comprehensive proposal will do a better job:

- Helping consumers figure out how to afford their prescription medicines
- Providing consumers with useful information about prescription medicines
- Giving consumers information to have better conversations with their doctor
- Promoting collaboration in the health care system

When asked about showing only list prices in DTC television ads, the majority of voters expressed concerns that approach would cause some people to:

- Worry a lot more about how they will afford their medicines
- Become confused about what a medicine actually costs to them
- Avoid seeking the treatment they need
- Stop taking medicines they need



Ultimately, voters want to know about their out-of-pocket costs. Their list starts with knowing what they will pay-out-of-pocket for care at the hospital—far and away their top priority—along with how much they will pay for prescription medicines at the pharmacy counter and what medicines and which doctors are covered by insurance plans. In contrast, few said knowing the initial list price of a medicine in DTC advertisements is a top priority for them personally.

These two efforts reinforce the industry's longstanding commitment to creating a health care system that works better for patients. PhRMA members are taking a more proactive approach to offer pro-consumer solutions such as ensuring patients benefit from negotiated rebates at the pharmacy, improving predictability and affordability in Medicare Part D, supporting a limit on opioid prescriptions for acute pain to seven days, eliminating barriers to value-based contracts, supporting U.S. Food and Drug Administration (FDA) reforms to improve the generic approval process and modifying PhRMA's [membership criteria](#) to establish a minimum investment in research and development to be eligible for membership.