New Research Bucks Common Perceptions Surrounding Rx-to-OTC Switches

Contributed by Nielsen
Wednesday, 12 November 2008
Last Updated Sunday, 04 January 2009

November 10th 2008 - Conshohocken, PA, and New York

Nielsen-Wolters Kluwer Health study reveals only 27% of Rx Zyrtec users switched to Zyrtec OTC
Using a new research paradigm that, for the first time, integrates prescription and over-the-counter (OTC) drug data, Wolters Kluwer Health and The Nielsen Company today released results of a joint study that go against conventional thinking about the dynamics when a prescription drug switches to OTC.Â

The Nielsen-Wolters Kluwer Health study entitled, â€œConsumer Behavior and Managed Care Impact of the Zyrtec Rx-to-OTC Switch,â€• reveals that a full 84 percent of those who switched to Zyrtec OTC were sourced from other OTC products rather than from other prescription products as many had expected.Â In fact, of all people who migrated to Zyrtec OTC from other allergy therapies, only 6 percent were former prescription Zyrtec users.Â Further, only 27 percent of prescription Zyrtec patients â€œfollowed the moleculeâ€• and switched to Zyrtec OTC.Â

Focusing on allergy drug Zyrtec OTC and the spring 2008 allergy market, the study draws three key conclusions relating to the dynamics of a recent major OTC switch.Â First, it suggests that there was lower carryover from the base of prescription Zyrtec users than some expected.Â Second, switching to Zyrtec OTC led to increased spending on allergy medication for some consumers; and third, rather than restricting access to Rx drugs, managed care organizations may have actually helped to drive OTC utilization.

Published today online (www.nielsen.com/health/patientsasconsumers.html) by Nielsen and Wolters Kluwer Health, the study showcases overall patient trends surrounding the recent Zyrtec switch by utilizing HealthScapeâ„¢ Consumer, the first truly integrated set of OTC/Rx informatics.Â

â€œNielsen and Wolters Kluwer are breaking new ground here by providing the healthcare industry with important new information on consumer behavior and total healthcare purchase decisions in the context of a major Rx-to-OTC switch,â€• said Nicholas Hall, Chairman and CEO of Nicholas Hall & Company, a leading business intelligence group tracking the global OTC market.Â â€œIf these newly-identified factors are corroborated in future research programs, marketers will be forced to re-evaluate the key drivers of an OTC switch, which could change and enhance marketing strategies over the coming decade.Â In tomorrowâ€™s recessive OTC market, manufacturers must be even more focused on consumer behavior, needs and expectations if a switch is to produce much needed new mega-brands.â€•

Zyrtec OTC Consumers Willing to Pay More for Their Medication
Another key finding suggests that, contrary to popular perceptions about OTCs being lower cost alternatives to prescriptions, most of those who switched to Zyrtec OTC actually paid more out of pocket versus their prior therapy.Â According to the data, 68 percent of consumers who switched to Zyrtec OTC paid more, with the average differential an $11.68 increase versus their prior therapy.Â This indicates that increased access to OTC may be more important than the cost of the therapies or medications.Â It is important to note that this result reflects changes in consumer out-of-pocket medication expenses only and not the full treatment cost, e.g., office visits, diagnostic tests, etc.

â€œThis is the first time anyone has looked at a medication market with Rx and OTC utilizations as a whole rather than as independent components,â€• said David Martin, Vice President of Sales and Marketing, Wolters Kluwer Health.Â â€œWhat we found goes against preconceived notions about a brand switch to OTC.Â For one, itâ€™s not safe to assume that a switch automatically leads to lower out-of-pocket for the patient.â€•

Managed Careâ€™s Effect on Consumer Behavior
Authors of the study, Rick Crangle of Wolters Kluwer Health and Suzanne Chiaramonte of NielsenHealth, also examined how managed care may have influenced consumer actions in the allergy medication space.Â They discovered that although many MCOs did not influence consumer choice to utilize OTC alternatives by traditional means, such as rejections or changes to co-pays as was expected, a significant shift toward OTC amongst plan enrollees occurred nevertheless; furthermore, the shifts towards OTC treatment varied by managed care plan.Â Consumer targeted programs initiated by the plans themselves were cited as a probable cause showing the growing impact of managed care.

â€œBy tracking the actual consumption related to Zyrtec, weâ€™ve created the first true benchmark for an Rx-to-OTC switch challenging several industry perceptions and assumptions,â€• said Matt Dumas, Managing Director for NielsenHealth.Â â€œAlthough this study focuses on allergy, HealthScapeTM Consumer is helping clients in other markets impacted by Rx and OTC patient switching behavior including Upper GI, Pain, and Smoking Cessation.â€•

According to Wolters Kluwer Health, $50 billion worth of prescription drugs are expected to go off patent by 2012, many of which will be candidates for OTC switches.Â As a result, integrated Rx/OTC informatics, such as HealthScapeTM, are going to become an important means of tracking success and failure as drug makers look for new ways to map consumer purchases and better understand the motivators behind those switching decisions.

Introduced in August 2008, HealthScapeâ„¢ Consumer is the only longitudinal single-source informatics solution with both Rx and OTC transactional, attitudinal and behavioral consumer information.Â It utilizes sample counts that are twice as large as those used by traditional informatics and employs actual transaction data rather than survey results.Â Â

HealthScapeâ„¢ is derived from the intersection of OTC purchase data and rich demographic information from Nielsenâ€™s Homescan® panel of 125,000 households and Wolters Kluwer Healthâ€™s Source® Lx patient-level claims data, which comprises longitudinal patient medical and prescription data for 150 million patients.Â Data from both companies are matched through a proprietary encryption engine and de-identified in a HIPAA-compliant process.Â Combined, this produces a matched panel of more than 100,000 de-identified individuals for research.

The collaboration between the two companies, known as the Healthcare Consumer Informatics Alliance, brings together two of the most trusted and well-known data sources in the industry.Â The Alliance delivers consultative services and utilizes a joint consulting team comprised of experts from both companies for all of its client engagements.Â