

Consumer Behavior and Managed Care Impact of the Zyrtec Rx-to-OTC Switch

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Wolters Kluwer
Health

Understanding the Patient as a Consumer

Whitepaper

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The multi-billion dollar allergy medication market in the United States, expected to reach in excess of \$10 billion by 2010, targets almost 50 million allergy sufferers. A substantial number of medications, both prescription (Rx) and over-the-counter (OTC) have been developed to address this chronic condition. In the last several years, a number of Rx allergy medications have lost patent protection, typically resulting in their manufacturers opting to make available OTC versions of the same drug—for example, Benadryl[®], Claritin[®], and most recently, Zyrtec[®].

The Rx-to-OTC switch dynamic is not new to the healthcare industry. In markets where the indication is sizeable (e.g., allergies, heartburn/GERD), the OTC revenue potential can be significant. As these brands often benefit from years of DTC advertising while marketed as prescription drugs, they enter the OTC market with levels of brand awareness and acceptance not enjoyed by products in other consumer categories. Added to this is the relatively recent thrust by managed care organizations (MCOs) to contain costs by implementing strategies to move patients from more expensive Rx medications to OTC treatments, typically paid for by consumers out-of-pocket. Traditional strategies include a change in formulary status resulting in Rx rejection (insurance company discontinues coverage for specific Rx medications) or increased prescription co-pays. More recent strategies include patient awareness and education efforts, sometimes in collaboration with the OTC manufacturers, to drive product trial through assurance of efficacy and coupon or discount incentives.

Methodology

Marketers and researchers alike have had historical difficulty developing standardized Rx and OTC consumption analysis techniques, partly due to HIPAA compliance constraints, and partly due to the differences inherent in OTC and Rx sales and consumption tracking.

To meet this challenge Wolters Kluwer Health—which analyzes prescription consumption—entered into an alliance with NielsenHealth, known for its significant focus on consumer-based insights. The result of this alliance was the creation of HealthScape™ Consumer (HSC), a database that integrates longitudinal Rx and OTC consumption data in a standardized format for ease of data manipulation and analysis, which can be analyzed and reported using all appropriate HIPAA safeguards. More specifically, in examining the market transition behavior of consumers vis-à-vis Zyrtec, a total of more than 57,000 households was selected from the HSC database and analyzed over a 30-month analysis timeframe.

Analysis of longitudinal consumption data related to the Zyrtec Rx-to-OTC switch was driven by the following:

- How would the overall allergy category (Rx/OTC) landscape change?
- How many Zyrtec patients would convert to the OTC form?
- Would managed care organizations discourage patients from using Rx medications?
- Would managed care organizations, conversely, encourage patient consumption of OTC medication?
- How, if at all, would patients' out-of-pocket medication expenses change with anticipated payer constraints?

