

## **STATEMENT OF CHAIRMAN GORDON H. SMITH**

### **U.S. Senate Special Committee on Aging Hearing “The Impact of Direct-to-Consumer Drug Advertising on Senior’s Health and Health Care Costs” September 29, 2005**

Good morning, and welcome to all.

I would like to thank Senator Kohl for organizing this hearing. It addresses a topic that is of importance to all Americans, especially our nation’s seniors.

While national health care spending has slowed in recent years, it is projected that total national spending on health care goods and services will reach 18.4 percent of the nation’s gross domestic product by 2014. How the government and individual citizens spend their health care dollars will continue to be an important policy discussion.

One area of health care in which spending is projected to increase significantly in coming years is prescription drugs. Advances in pharmaceutical sciences have provided millions of Americans the opportunity to live longer, healthier lives, but oftentimes at a significant cost.

Over the last several decades, the pharmaceutical industry has spent billions of dollars to promote new prescription drugs to both doctors and consumers. Direct-to-consumer advertising is just one component of a larger marketing effort, but given that spending on such ads has quadrupled since 1998, it is an area that deserves further exploration, especially in connection to how it affects consumer safety and overall prescription drug consumption.

From a positive standpoint, direct-to-consumer drug advertising may encourage individuals who might otherwise not seek health care to see their doctors. This is especially true for individuals who might be suffering from a mental illness, such as depression or bipolar.

A 2003 study showed that approximately 25 percent of surveyed individuals who had discussed an advertised drug with their physicians reported receiving a new diagnosis. Evidence would suggest that advertising can encourage individuals to learn more about symptoms they might suffer from and get treatment for undiagnosed conditions.

Beyond advertising's ability to prompt individuals to seek out health care, there are many other issues that should be explored further by policymakers, industry representatives and health care advocates.

For instance, does the content of direct-to-consumer advertisements appropriately inform individuals of the benefits and risks of new prescription drugs, or are they more aimed at building product loyalty? This is an especially important question to ask in regard to new products entering the market, whose effect on the general population may not be fully known. I am hopeful some of the discussion today can address this concern, as well as other issues related better informing consumers through direct-to-consumer ads.

In terms of physician prescribing behavior, it is still unclear how direct-to-consumer advertising affects the decision to prescribe a certain type or brand of prescription drug. We will hear today about recent research that suggests patient requests for specific drugs may influence doctors prescribing behavior. However, while such findings highlight an interesting dynamic of the patient/physician relationship, it may be more difficult to explicitly link drug requests to direct-to-consumer advertising.

I should also note that in considering the issue of prescribing behavior, we should not ignore other types of promotional activities, especially those targeted toward office staff and physicians and their office staff.

I invite all witnesses to share their thoughts on the relationship between direct-to-consumer advertising and overall health care consumption. Additionally, I would appreciate any suggestions witnesses might offer that improve the process by which information regarding prescription drugs is communicated to the public.

I look forward to a thoughtful exchange today, and hope this hearing will prompt a broader discussion of the steps interested parties can take to further ensure a more consistent balance between promotional and educational content in all forms of prescription drug advertising.

Ultimately, we should all be working toward the goal of keeping consumers well-informed of important developments in pharmaceutical science, so that they can improve their overall health and well-being.

Thank you.