



Big Data + Big Pharma = Big Money

by Charles Ornstein
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Need another reminder of how much drugmakers spend to discover what doctors are prescribing? Look no further than new documents from the leading keeper of such data.

IMS Health Holdings Inc. says it pulled in nearly \$2 billion in the first nine months of 2013 [1], much of it from sweeping up data from pharmacies [2] and selling it to pharmaceutical and biotech companies. The firm's revenues in 2012 reached \$2.4 billion, about 60 percent of it from selling such information.

The numbers became public because IMS, currently in private hands, recently filed to make a public stock offering. The company's prospectus [3] gives fresh insight into the huge dollars – and huge volumes of data – flowing through a little-watched industry.

IMS and its competitors are known as prescription drug information intermediaries. Drug companies supply, can know before entering a doctor's office if he or she favors their products or controversial, with some doctors and patient groups saying it threatens the privacy of private m

The data maintained by the industry is huge. IMS, based in Danbury, Conn., says its collection i prescriptions by sales revenue," as well as comprehensive, anonymous medical records for 400

All of this adds up to 10 petabytes worth of material – or about 10 million gigabytes, a figure ro online books, movies, music and TV shows that have been stored by the nonprofit Internet Arch

IMS Health says it processes and brings order to more than 45 billion health care transactions [different feeds around the world. "All of the top 100 global pharmaceutical and biotechnology c firm's prospectus says.

Dr. Randall Stafford, a Stanford University professor who has used IMS data for his research, sa recent years through acquisitions of competitors and other companies that host and analyze dat consolidated, he says, IMS has evolved by offering more services and expanding in China and Ir

"They've been trying to beef up their competitiveness in some areas by making all of these acqui

IMS has especially expanded its database of anonymous patient records, which can match patient track changes over time, Stafford said.

IMS sells two types of products [8]: information offerings and technology services. The information companies to get national snapshots of prescribing trends in more than 70 countries and data a

IMS's prospectus offers examples of the questions [9] companies are able to answer with its data: highest return on a sales rep's visit, whether a rep drives appropriate prescribing and how much

IMS Health's data collection and sales have been controversial.

Several years ago, three states passed laws limiting the ability of IMS and companies like it to collect it to drugmakers for marketing purposes. Their intent was to protect physician and patient privacy by reducing marketing of brand-name drugs. Once a drug loses patent protection and becomes generic,

IMS and other companies sued, and the U.S. Supreme Court ultimately ruled [10] in their favor, allowing them to collect and sell the information. (ProPublica and a group of media companies [11] filed a legal brief supporting the ruling on grounds.)

ProPublica has sought to purchase data on individual providers from IMS and some of its competitors, but IMS will not buy the information at any price.

Instead, reporters obtained data from Medicare on providers in its taxpayer-subsidized drug program. More than one in every four prescriptions nationally. The data is now on Prescriber Checkup [12], which allows patients to view and compare their prescriptions to peers in their specialty and state.

ProPublica has found that [13] in Part D, some of the top prescribers of heavily marketed drugs are those that made them.

Physicians and privacy advocates have argued that prescription records could be used to glean information about patients' conditions without their permission. In addition, physicians have argued that they have a right to their own data — but aren't asked before pharmacies sell information about them.

Stafford said those concerns have parallels to recent revelations about mass surveillance by the NSA.

"It's part of a larger dialogue, which things like the NSA scandal have brought up," he said. "The NSA doesn't necessarily know about. ... We're living in a time where people can accept some loss of privacy, but the loss of privacy is being compromised."

In its prospectus, IMS cited several challenges to its growth, including data-protection laws, security concerns from other data collectors. The filing notes that the United Kingdom's National Health Service is using IMS data on doctor prescribing "at little or no charge, reducing the demand for our information services."

Until 2010, IMS Health was a publicly traded company. At that point, it was acquired for \$5.2 billion.

groups and the Canadian pension board.

Bloomberg News, citing confidential sources, reported last fall that IMS's owners may seek to va

IMS Health declined to comment for this story, citing the regulatory quiet period before the pu
set.

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