

Ponder the amount of consumer promotion in the prescription drug category recently. Then consider that the most recognized products are:

- Viagra (impotence) -- 34%, way out front over all others
- Pondimin (weight-control drug, withdrawn from market) -- 8%
- Claritin (antihistamine) -- 7%
- Prozac (antidepressant) -- 5%

Ponder the pr & ad budgets of this huge, continually newsworthy industry. Then rationalize the extremely low awareness for even these most recognized pharmaceutical manufacturers:

- Merck -- 13%
- Pfizer -- 12%
- Eli Lilly -- 9%
- Bristol-Myers Squibb -- 8%
- Glaxo Wellcome -- 6%
- American Home Products -- 5%

(More from Bryna Elder or Andreas Tsukada, 215/860-0440; email: scottlevin.com)

ITEMS OF IMPORTANCE TO PRACTITIONERS

¶ **Ketchum (NY) launches the Ketchum Road Scholarship program**, offering employees an opportunity to work in any Ketchum office around the world for 1-3 weeks. One employee a month will be named; must be at the senior ae level or above, with the firm 2 yrs. (More from Polly Lagana, 212/448-4411)

¶ **Houston Business Mktg Ass'n is offering 4 paid summer internships** for college students interested in pursuing business-to-business mktg careers. Students receive \$3,000, paid by BMA Houston & the member co. sponsoring the interns. Applicants will be interviewed by a BMA review board and, once chosen, can request which of 4 sponsor cos to work with. (More from Don Dove, 713/621-9720 or Edward Harris, 713/623-8705)

WHO'S WHO IN PUBLIC RELATIONS

APPOINTED. Longtime PRSA COO Betsy Kovacs, who served from '79-'92, named pres & CEO, Ass'n of Mgmt Consulting Firms. She has been at Columbia U working on social mktg & program administrator for the Int'l AIDS Vaccine Initiative.

HONORS. Lucy Z. Martin (Portland, Ore) receives Bill Marsh Award from PRSA/Portland. Award presented to pro who demonstrates highest standards of PR.

Wes Pedersen, longtime dpr at Public Affairs Council, receives 1st Great Communicator Award from *Association Trends*.

NAME CHANGE. North Texas Chapter of PRSA changes name to Dallas Chapter. New ofc's are: pres, Duncan Muir, JC Penney; pres-elect, Robbin Wilson Wells, Dallas Mkt Ctr; vp, Ken Benson, Ken Benson & Assoc.; treas, Meg Frainey, Texas Girl Scout Council; sec'y, Lisa Bridwell, EDS.

CASE: COLORADO HMO DERAILS A FLAWED MEDICARE EXPERIMENT

Solid pr can beat city hall -- & sometimes it can be grasstops (local opinion & power leaders) rather than grassroots (constituents). While many feel Medicare needs to change, it's not clear how to do it. Input from affected parties would make sense. But it was lack of input that put one Colorado HMO, PacifiCare (formerly FHP), on the offensive when a mandatory, 3-year competitive pricing demonstration project was announced for Denver.

SITUATION: ALTERED BENEFITS & HIGHER PREMIUMS FOR SENIORS

Administered by Health Care Financing Administration (HCFA), the project would alter benefits & increase premiums for 50,000 members of PacifiCare's senior plan. Beneficiaries could be confused by additional bureaucracy. Employer-sponsored retiree benefits & local providers would be impacted.

PacifiCare officials, seniors, employers & other health plans were not consulted about the project's design nor had any advance input.

STRATEGY: AGAINST FEDS, GO WHOLE HOG WITH BIGGEST COALITION POSSIBLE

PR firm JohnstonWells & PacifiCare developed 3 key grasstops strategies:

1. **Mobilize HMO opposition** to the demonstration project among individual health plans, Colo. HMO Ass'n & American Ass'n of Health Plans (AAHP)
2. **Encourage physicians, brokers, employers & beneficiaries** to oppose it
3. **Educate the state's federal legislators** about project's negative impact & encourage them to oppose or try to halt it

PacifiCare helped develop & became the "face" of the strategy, says Edie Sonn, counselor at JohnstonWells. JW developed strategy & assisted on tactical follow thru.

ACTIONS: GET EVERY CONCEIVABLE ALLY INTO THE FRAY

- **Benchmark.** Interviewed the executive director of the Maryland HMO Ass'n, which had successfully fought off a similar HCFA project in '96

Ever present regulatory response challenge: "Though none of the Medicare-risk HMOs saw the demonstration project as a good thing, some thought it would be easier to live with it," says Sonn. Although most essentially agreed the project was flawed, "they sometimes disagreed about how to reach our goals."



- **Organized coalition** among PacifiCare, HMOs, AAHP, Colo. HMO Ass'n, physicians, brokers, employers & members associated with these groups
- **CEO of PacifiCare-Colo. visited every member of the state's Congressional delegation** to discuss the project's negative impact on constituents. Each legislator received background materials encouraging them to write to the Sec'y of Health & Human Services and/or HCFA, opposing the demonstration
- **Developed a white paper** outlining PacifiCare's opposition & encouraging legislators to explore ways to stop the project, including legislation
- **Drafted template letters** for physicians, health insurance brokers, employers & members to use when writing opposition letters to legislators
- **Got the pols involved.** Organized meeting between Colo. HMOs, Gov. Roy Romer & Denver Mayor Wellington Webb
- **Employee involvement.** Dedicated an issue of Legislative Bulletin -- a PacifiCare-Colo. employee publication -- explaining the project
- **Contacted concerned citizens' groups** & provided them template letters & addresses to write Congressmen & Senators
- **Identified PacifiCare members who could be spokespeople** opposing the demonstration project. "One of our best advocates was a man who read about the Medicare plan in the paper and called to say 'This scares the hell out of me. What can I do to stop this?'"
- **Media.** PacifiCare execs were interviewed by print & broadcast media

RESULTS: COALITION WORKS & HOLDS, POLITICIANS RESPOND TO GRASSTOPS

1. **Appeal to lawmakers succeeded.** Senator Campbell, R-Colo., introduced an amendment to the supplemental appropriations bill freezing funding for the demonstration project. It passed & funding was repealed
2. **Coalition agreed to act.** Colo.'s Medicare HMOs, AAHP, the Colorado HMO Ass'n & leading business & provider groups filed suit against HCFA seeking an injunction to permanently halt the demonstration
3. **Every member of Colo.'s congressional delegation & Gov. Roy Romer sent letters** to the administrator of HCFA and the Sec. of Health & Human Services, expressing concerns & raising questions about the demo project
4. **Groundwork laid for future.** Effort helped build relationships between PacifiCare representatives, legislators & legislative staff members that will likely prove helpful for future lobbying efforts
5. **Coalition will likely hold together.** A strong pro-HMO coalition was established in Colorado that will help with future lobbying efforts

WHAT THEY DIDN'T DO -- GO TO THE GRASSROOTS -- & WHY

"We created a plan for a real grassroots campaign. We drafted letters to members of every Medicare-risk HMO in Denver, asking them to contact their legislators & send letters to the editors of local papers. We didn't do it because before we could, the lawsuit to stop the plan was filed in Federal Court & we wanted to see how it played out," Sonn told prr.

Also, a grassroots campaign would be difficult because HCFA regulates com'ns between so many Medicare-risk HMOs & their members. There was a concern HCFA would come back & slap the HMOs harder. Sonn notes: "We thought they'd say, 'You have to send letters to us for approval!' That was a reason not to do it."

TAKE CARE OF YOUR VOLUNTEERS; THEY'LL TAKE CARE OF YOU

Volunteers once meant folks who gave time to philanthropic or cause org'ns. Then it meant employees who work on community projects. Today you must add workers who take responsibility for constituency relations, ambassador or speakers bureau projects, or serve on task forces inside the org'n.

Peter Lowy of Business Com'ns Strategies (Westwood, Ma) emphasizes that most people still think of non-profits when they think of volunteers, but **in fact all org'ns rely on unpaid help of various types**. Because volunteers are motivated differently from employees (even when they are employees), his experience suggests keeping in mind the following for proper care & feeding of this extremely valuable resource:

- **Be organized.** Don't ask volunteers for the same thing twice.
- **Be punctual.** Volunteers give time & talent. Don't waste either.
- **Keep them informed.** Let volunteers know their efforts paid off.
- **Return the favor.** Send business or bennies their way; or reward them in a valuable way.

(More from Lowy, 781/326-9980; info@bus-com.com; www.bus-com.com)

DESPITE MASSIVE CONVENTIONAL PUBLICITY & ADVERTISING, Rx DRUGS FAIL IN CONSUMER RECOGNITION -- EXCEPT UNCONVENTIONAL VIAGRA

More evidence publicity & promotion aren't working. 63% of consumers can't remember any drug product names from news stories. Only 23% can name a specific drug company. So finds a study of 1,400 consumers by consulting firm Scott-Levin (Newtown, Pa).

Viagra is the best-known prescription drug -- and its startlingly rapid awareness has elements other drugs don't: its purpose, a thousand jokes making the rounds, coverage by cartoonists & talk show hosts, inclusion in primetime tv scripts et al.

Consumers more likely to be able to mention a product or company by name are 1) chronic users of prescription drugs, 2) 55+, 3) college grads, 4) medically educated. In short, people pay attention when it's salient.