

New Hampshire Law That Blocks Access to Critical Healthcare Information Is Challenged by Leading Health Information Companies

Prescribing Data a Vital Link for Improving Healthcare Quality, Patient Safety

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CONCORD, N.H., July 28, 2006 – The two leading health information companies – IMS Health (NYSE:RX) and Verispan LLC – filed a lawsuit in U.S. District Court here today challenging the constitutionality of a newly enacted New Hampshire law that criminalizes the collection and disclosure of information about the prescribing practices of physicians. The law would restrict the flow of prescriber information that is essential to improve the quality of healthcare and ensure patient safety. Because the information at issue does not identify individual patients, patient privacy is not an issue in the litigation.

The companies are seeking a court order to prevent the state from enforcing the statute, which became effective June 30. The American Medical Association (AMA) is on record opposing restrictions to the collection and disclosure of these data, which it says are “critical to improving the quality, safety and efficacy of providing patient care through the application of evidence-based medical research.” Among other concerns, the suit asserts that the new law will make it more difficult for biotechnology and pharmaceutical companies to comply with federally mandated risk management programs for new drugs.

The companies emphasized their strong unqualified support of patient privacy and noted that the prescribing information they collect does not disclose anything about individual patient health records. Provisions of the New Hampshire law affirm patient privacy - rights that since 2003 have been protected by federal law, the Health Insurance Portability and Accountability Act (HIPAA).

The lawsuit does not challenge any portion of the New Hampshire law that addresses patient privacy. “Patient privacy is sacrosanct, and protecting it is fundamental to the way our industry operates,” said Scot Ganow, chief privacy and ethics officer, Verispan. “The problem with the New Hampshire statute is that it goes well beyond patient privacy and creates an entirely new and special privacy right for physicians at the expense of healthcare quality and patient safety.”

In making it illegal for New Hampshire pharmacists, to sell or license prescriber-identifiable information for commercial purposes, the law will stop the flow of information vital to the healthcare system. Among other things, this information is used to monitor the safety of medications, implement drug recalls and rapidly communicate information to doctors about innovative new treatments.

Over the past few years, 15 states have considered legislation comparable to New Hampshire’s, but all have rejected it.

"By effectively denying access to prescriber-identified data, the new law will have significant unintended consequences and go against the national movement toward making healthcare information more accessible and transparent," said Robert H. Steinfeld, IMS senior vice president and general counsel. "The success of initiatives to improve healthcare quality, ensure patient safety and manage costs depends on access to more information...not less."

In passing the law (known as House Bill 1346), New Hampshire legislators ignored objections from the New Hampshire Association of Chain Drug Stores, the Biotechnology Industry Organization, and scientists from research institutions including the Mayo Clinic, the University of Wisconsin and the Harvard-MIT Division of Health Sciences and Technology.

Researchers use prescriber-identifiable information to conduct a range of studies benefiting public health. For example, this information has been used to study physician prescribing patterns for asthma in low-income urban areas; overprescribing of antibiotics for children with respiratory tract infections; and public demand for certain antibiotics in connection with bioterrorist threats following September 11.

As the suit noted, the collection and analysis of patient de-identified prescribing information also helps to educate healthcare providers and ensure "that the right doctors receive the right information about the right drugs." By blocking access to the information, the law "takes healthcare in the wrong direction while doing nothing to improve the well-being of New Hampshire citizens," the suit said.

To address any physician concerns about the use of prescribing information, the AMA had already developed a new program (the Prescribing Data Restriction Program) that gives physicians the option to block access to their prescribing data by pharmaceutical sales representatives, "making government-imposed restrictions unnecessary," according to the AMA, which launched the program July 1. The program gives doctors the right to block such access but will ensure that their data continues to be available for medical research and other purposes essential to healthcare.

In opposing HB 1346, the New Hampshire Association of Chain Drug Stores said the legislation was "too broad and causes many problems" and would jeopardize electronic prescriptions and prescribing. "The bottom line," the association told a state Senate committee in April, is that "this legislation is not necessary" and "goes beyond where 49 other states have ever gone."

Please see attached list of independent, third-party experts available to comment about HB1346.

Additional background information on HB 1346 and the positive applications of prescribing data is available at www.imshealth.com/newhampshire.

About IMS

Operating in more than 100 countries, IMS Health is the world's leading provider of market intelligence to the pharmaceutical and healthcare industries. With more than 7,000 employees worldwide and more than 50 years of industry experience, IMS offers leading-edge business intelligence products and services that are integral to clients' day-to-day operations, including portfolio optimization capabilities; launch and brand management solutions; sales force effectiveness innovations; managed care and over-the-counter offerings; and consulting and services solutions that improve the delivery of quality healthcare worldwide. Additional information is available at www.imshealth.com.

About Verispan

Verispan, a healthcare informatics joint venture of Quintiles Transnational Corp. and McKesson Corp., provides a broad array of information products and services to the healthcare industry, including sales targeting and compensation products; market research audits; healthcare profiles; comprehensive managed care offerings; primary market research; data integration, warehousing and mining; data analysis and consulting; direct mail; list services; disease management studies; clinical trial investigator targeting and protocol recruitment evaluation; healthcare outcomes; and cost/benefit analyses, among many others. Verispan is also the nation's leading provider of patient-centric longitudinal data, with dozens of products used by clients spanning the industry. Headquartered in Yardley, Pa., Verispan employs over 500 dedicated healthcare information professionals. The company's Web site is www.verispan.com.

The following independent experts are available to speak to the media regarding HB1346:

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** Cate is affiliated with Hunton & Williams, the law firm representing Verispan and IMS in the lawsuit against the State of New Hampshire. IMS is a member of the Center for Information Policy Leadership.*