dstillery

Prescription for Programmatic Success

A New Methodology for Healthcare Advertisers

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Overview: A Changing Privacy Landscape

Spotlight on Healthcare Advertising

While Chrome's third-party cookies are no longer scheduled for deprecation, the healthcare privacy landscape continues to evolve rapidly. Regulation, platform restrictions, and consumer expectations are still raising the bar for how sensitive health data can be used in advertising.

User Privacy Laws and Protections

For healthcare, the treatment of data privacy in programmatic advertising started to change long before Google's announcement. The introduction of regulations like the Health Insurance Portability and Accountability Act (HIPAA) in the US and the General Data Protection Regulation (GDPR) in the EU placed strict limitations on collecting, processing, and sharing healthcare data.

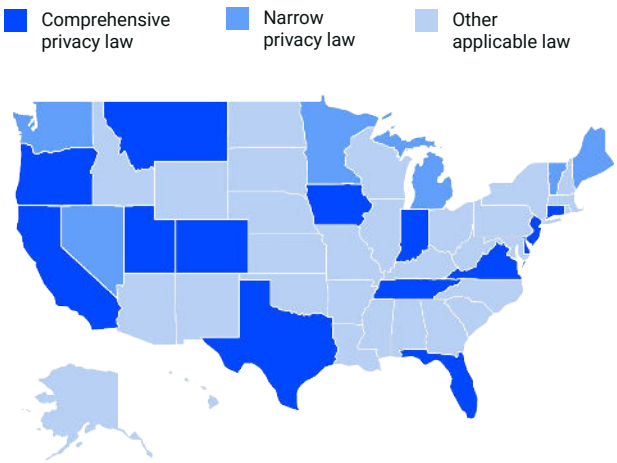
These regulations meant a more cautious approach to handling healthcare data in programmatic advertising was needed. Advertisers and technology providers were required to implement robust measures to protect the privacy and confidentiality of individuals' health information. This included adopting encryption protocols, implementing strict access controls, and ensuring compliance with data retention policies.

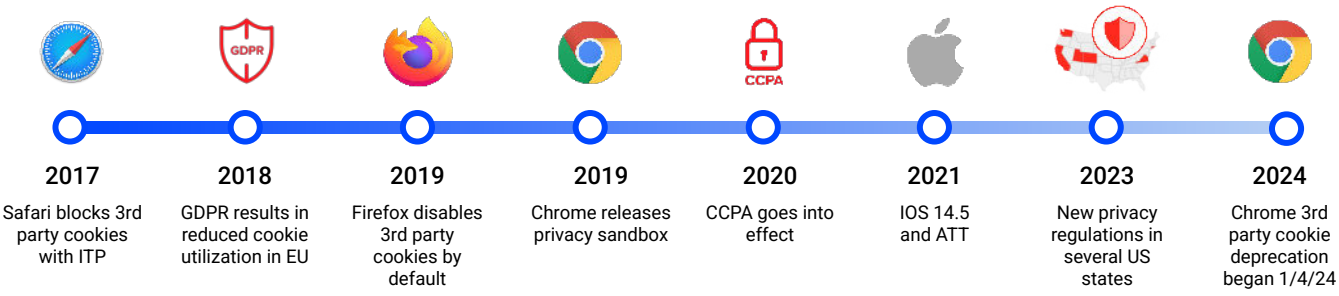
A State-By-State Patchwork of Additional Protection

In 2023, certain states began making critical moves to adapt to the rising desire for consumer privacy. Led by California, states like Washington, Colorado, Connecticut, Utah, Virginia, Florida, and Texas pursued tighter regulation for healthcare advertising.

Additionally, Washington's My Health My Data law broadened the definition of "sensitive healthcare data" making it increasingly problematic to create anything resembling a profile possibly containing health-related information, even by inference.

U.S. States with Consumer Data Privacy Laws





KEY: TRACKABLE PEOPLE

*Which States Have Consumer Privacy Protection Laws?

What's The Prognosis for Agencies?

Sweeping regulation ushers in new privacy-safe tactics

In December 2022, a STAT and The Markup investigation made an eye-popping discovery. Out of 50 telehealth companies whose websites they examined, the article claimed that 49 were collecting potentially protected health information and sharing it with advertising platforms like Meta and Google.* This was a turning point in discussions regarding user privacy, especially regarding personal health data. In the wake of investigations such as this, regulatory bodies have begun to embrace stricter policies around the use of sensitive data, forcing brands to realign their campaign goals and adopt solutions that deliver performance while aligning with modern standards of healthcare data privacy — regardless of cookie status.

Keeping Up With Change and Compliance

Compliance with these data-privacy laws and regulations adds to the burden for healthcare campaigns. Failing to comply will result in agencies and companies trapped in labyrinthian legal battles to continue operating or serious financial repercussions such as fines and penalties.

Capturing User Consent

Further complicating the targeting strategy for these advertisers, healthcare data privacy laws often require explicit opt-in user consent to collect and process sensitive health-related information. With this in mind, agencies will have to obtain clear and informed consent from users before collecting their healthcare data for advertising purposes and provide them with control over their data choices.

A Perpetually Changing Definition

The Federal Trade Commission and the Department of Health and Human Services have been communicating a significant shift in the definition of sensitive data to those in healthcare marketing. Currently, there is no set definition of what is considered a sensitive condition; it could be as severe as head trauma or a simple acne medication. The lack of definition does not mean there is a loophole for marketers. It is quite the opposite. The FTC and HHS have communicated that there will be strict enforcement against anyone found in violation of collecting sensitive data and using it for marketing purposes, especially regarding data being harvested from apps without consent.

Looking at Tomorrow, Today

New AdTech solutions for healthcare must be heavily focused on compliance, privacy, and functioning without the use or creation of anything that can be interpreted as a profile**. Even without the pressure of cookie deprecation, strict definitions of sensitive data and state-by-state privacy regulations continue to make this a challenging time.

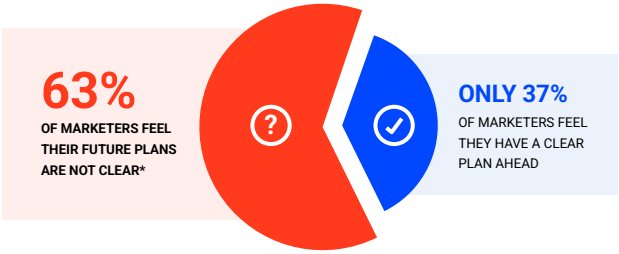
"The expanding definition of health data as sensitive is really important in programmatic because once it's labeled 'sensitive' it requires affirmative consent to use it and programmatic currently does not operate with that standard."

- Alan Chapell
President of Chapell & Associates

*Putting Digital Health Privacy in Perspective: Is the Controversy Warranted?
**Opting In and Out: Five Key Analyses for Adtech Privacy Law Compliance

A New Standard of Care for Privacy

Behavioral targeting without IDs



Dstillery's Unique Approach to Privacy

At Dstillery, we saw this momentum towards consumer privacy choice as a challenge and opportunity. Long before Google's announcement, browsers like Safari and Firefox retired cookies, regulations started increasing, and the conversation about privacy online intensified. Dstillery saw the privacy problem and sought to solve it at face value, finding a way to do behavioral targeting without IDs. Our data scientists developed ID-free® technology, a patented, first-of-its-kind targeting solution that prioritizes privacy and performance.

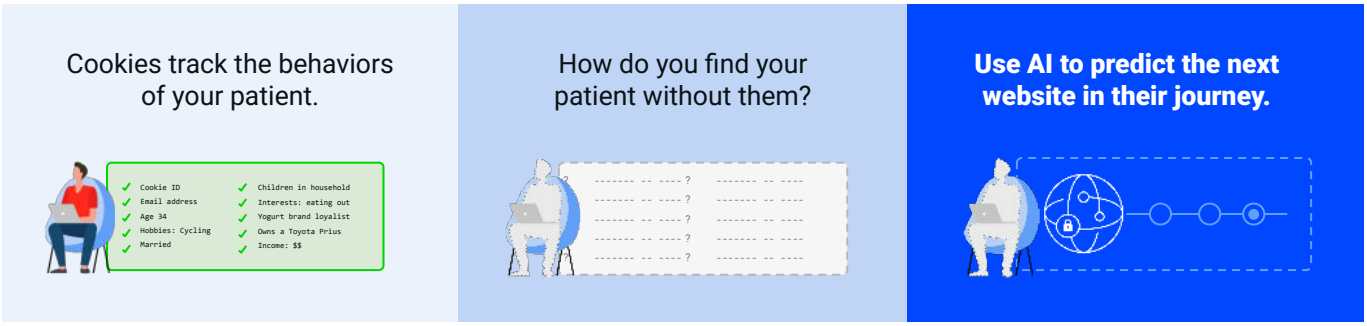
Similar to the revolutionary AI technologies powering ChatGPT, ID-free harnesses the power of artificial intelligence to learn online browsing patterns observed in de-identified opt-in panel data. More simply, ChatGPT learns by predicting the next word in a sentence, while ID-free learns by predicting the next website visit in an anonymous user's online journey.

ID-free was built so that consumer privacy and advertising efficacy can coexist without compromise. Achieving both is difficult, particularly in healthcare. Therefore, we used our ID-free technology to build a targeting solution specifically for the healthcare industry.

The result? **A unique healthcare targeting solution: Custom Patient Targeting.**

"When we started selling cookieless targeting, we found that the cookieless value prop resonated most with healthcare brands because their access to user signals is more immediately constricted."

- Michael Beebe, CEO of Dstillery, for AdExchanger



*63% of Marketers Lack a Clear Plan for Cookieless Personalisation

What is Custom Patient Targeting?

A healthcare solution built for privacy and performance

Despite user targeting limitations, precision is paramount in the world of healthcare. Dstillery's Custom Patient Targeting product offers a unique approach that allows you to reach patients effectively while maintaining the highest data privacy standards and meeting all legal requirements.

Building a Model

Think of the first thing you do when you or a loved one feels sick. After hearing them describe their symptoms, you open up a search engine and search for ailments with these characteristics. You're one of about 77% of people who use search engines to start their patient journey. Every minute, 70,000 Medical-based searches are conducted on Google*. That is why we use advanced search terms to seed Custom Patient Targeting models, which are just one component of what powers a model's targeting success.

Partnership with PurpleLab

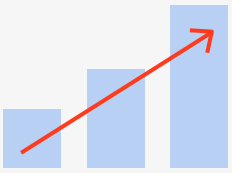
We also partner with PurpleLab to license their real-world data, including gold-standard ICD-10 code data. We combine ICD-10 codes with the aforementioned search terms to seed your model to target any condition, regardless of its prevalence within a population, whether it's as common as a vitamin deficiency or as rare as Kleinfelter Syndrome, which only affects 100,000 people.

Customization for Every Model

Unlike limited-scale methods that rely on broad lookalike modeling, our approach is tailored to your brand's specific healthcare condition. We create an AI-powered predictive model that, rather than tracking and targeting users, learns to identify patients based on privacy-safe browsing behavior signals that mirror your data seedset. Our AI scores, ranks, and bids on impressions based on their likelihood of reaching your desired patient. This allows us to target any sensitive health condition without the typical privacy risks associated with user-based targeting. This privacy-safe data combined with our AI makes every Custom Patient Targeting model truly custom.

"Instead of focusing all of our AI predictive power on understanding the *person* we're trying to reach, we shift the focus of our AI to understand the *moment* when we're trying to reach that person with an ad."

- Melinda Han Williams, Chief Data Scientist Dstillery



141% YoY Growth

in RFPs, indicating agency momentum to cookieless solutions

*All The Healthcare Marketing Statistics To Pay Close Attention To

How Does Custom Patient Targeting Work?

Reaching patients with privacy-safe methodology

Custom Patient Targeting identifies prospective patients based on inventory signals alone, without any identifiers or user data. The process to build a Custom Patient Targeting model has two steps. The first step is a pre-training step, that allows the AI to understand as much as possible about the meaning and intent beyond each inventory moment. The second step ties the inventory information together with campaign specific goals, using ICD-10 codes and search terms, to build a custom model for the condition.

1 Build The Map of the Internet

Similar to how AI language models like ChatGPT learn by predicting the next word in a sentence, ID-free learns by predicting the next website in a journey.

We've found that behavioral signals work best to understand the meaning of each digital behavior within the patient journey. We use de-identified, opt-in panel data to study the web browsing behavior of people across the internet. By using observed digital journeys to understand each impression moment, we learn how each site is used in real life. We see what sites are likely to be visited before and after a potential impression moment, and where that moment fits in the user's journey. This turns out to be far more informative and predictive than just looking at the content the publisher put on the page.

This digital journey data is used to pre-train our AI, allowing it to build an understanding of digital behavior. In both cases, this pre-training step (the "P" in GPT) builds a foundation of knowledge that can then be fine-tuned and applied to tackle a specific problem.

In the case of Custom Patient Targeting, the foundation built in the pre-training step is what we call the Map of the Internet. The Map of the Internet is a 128-dimensional space, and every website has a position in that space. The behavioral patterns and intent behind each website are captured by its exact position on the Map of the Internet. The pre-training step is updated every day with the latest digital journeys, so that the Map of the Internet always contains an up-to-date view of how each website is related to every other website on the internet.

2 Build Your Custom Patient Targeting Model

For each Custom Patient Targeting model, we carry out a separate AI step that combines ICD-10 code data and advanced search terms with the Map of the Internet to create a fine-tuned, condition-specific model.

We use PurpleLab's ICD-10 code data aggregated by a variety of criteria such as age, gender, geography, and more. We identify the anonymous devices that fall into these criteria, and extract the top targeting features from the ICD-10-only model. In parallel, we identify the anonymous devices searching for healthcare-related information, drug products, symptoms, and co-morbidities and extract the top targeting features. As a final step, we combine the best targeting features from both models to create a final model.

Conclusion: A Path Forward for Privacy

To get started, contact Dstillery

Dstillery's Custom Patient Targeting is purpose-built for today's privacy-focused environment. Whether or not cookies are in play, this solution delivers performance without using any personal identifiers—making it ideal for healthcare advertisers navigating HIPAA, GDPR, and state-level compliance.

Contact mlenzo@dstillery.com to get started.

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