PHYSICIANS AND PHARMACEUTICAL COMPANIES—BREAKING THE BOND

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Many physicians maintain relationships with pharmaceutical companies

- Own stock
- Deliver lectures
- Participate in pharmaceutical research
- CME programs
  - Is it marketing or is it medical education?
  - Does this information improve the health of patients, or does it line the pockets of the promoters?
PhRMA Guidelines

- In 2009, PhRMA voluntarily set restrictions on providing marketing materials and programs to physicians and other providers.
- PhRMA will also enforce rules separating marketing from education and CME programs.
Congress has concerns about the relationship between manufacturers and providers of care.
Industry Ties

- As of 2004 pharmaceutical industry, spent $12 billion dollars annually on physician gifts and payments
- 94% of physicians report relationship with the pharmaceutical industry – mostly food and drug samples
- One third of physicians received reimbursement for the cost of professional meetings
- One forth were paid to give lectures or take part in clinical trials
Congressional Solution

The *Physician Payment Sunshine Act/S. 301* would “provide for transparency in the relationship between physicians and manufacturers of drugs, devices, biologicals, or medical supplies for which payment is made under Medicare, Medicaid, or SCHIP.”
Mandatory Reporting

- Entities involved in the manufacture, marketing or distribution of a drug, device, biologic or medical supply covered by Medicare must report to HHS any payment or transfer of value greater than $100 per year to any physician or physician group.
- Reported by physician name, specialty and Medicare billing number.
- Transfer of value may refer to cash, services, stock or stock options.
Closing the Information Gap

- The *Independent Drug Education and Outreach Act of 2009/H.R. 1859/S. 767* would provide grants or contracts for prescription drug education and outreach for healthcare providers and their patients.
Closing the Information Gap

- Government would
  - Provide grants to study the treatment of disease
  - Choose recipients
  - Set time limits and exclusions
  - Chose medical conditions to research

- Pharmaceutical and device manufacturers and any of their recent agents are specifically excluded.
Dangers

- The current version of the *Physician Payment Sunshine Act* is onerous and overly bureaucratic.
- The version presented in the 110th Congress was more user friendly and less costly.
Dangers

- The *Independent Drug Outreach Act* would be very costly.
- Pharmaceutical companies would turn their marketing dollars to government contractors and agencies.
  - Transparency would disappear.
Recommendations

- A reasonable form of the *Physician Payment Sunshine Act*
  
  The version presented in 110th Congress was less onerous.

- A provider education and outreach program that is privately run with sensible regulation.