



Drug companies to reveal grants they give doctors

By [KEVIN FREKING](#), Associated Press (Seattle Times), 4/16/08

For years, the nation's largest drug and medical device manufacturers have courted doctors with consulting fees, free trips to exotic locales and sponsoring the educational conferences that physicians attend. Those financial ties in most cases need not be disclosed and can lead to arrangements that some say improperly influence medical care.

Now, under the threat of regulation from Congress, **the two industries are promising to be more forthcoming about their spending.** A dozen of the nation's leading drug and device makers have told Sen. Charles Grassley, R-Iowa, that they have plans or are working on plans to publicly disclose grants to outside groups. The details will be provided on each company's Web sites. Watchdog groups say the companies are trying to derail legislation that would require public disclosure of their giving. "If they were doing this out of the goodness of their heart, they would have done so decades ago," said Dr. Peter Lurie of the consumer group Public Citizen.

Of particular interest to Grassley, top Republican on the Senate Finance Committee, is the **money companies spend on continuing medical education.** Physicians attend such conferences to fulfill their license requirements and to keep up to date with the latest treatment trends. Professional associations and companies frequently ask drug and device makers to help pay for the conferences. Recently, Grassley asked 15 companies whether they planned to follow the lead of Eli Lilly & Co., which now discloses its grants to such programs. "If your company does not yet have any efforts or plans in place, please explain why not," Grassley wrote.

The responses are in. They are wide-ranging but mostly what the senator wanted to hear. Indeed, many of the companies said they would go beyond disclosing grants for medical education. Some companies said they would also **disclose payments to patient advocacy groups** such as the American Heart Association or the American Diabetes Association. Boston Scientific said it was developing a system that even discloses certain payments to physicians. Medtronic Inc. said it will post payments for professional meetings and patient groups on its Web site beginning May 1. AstraZeneca PLC said it would do the same on Aug. 1, providing the amount spent and the purpose of the financing. AstraZeneca gets 4,000 to 5,000 grant applications each year and funds about a third of them.

Merck and Co. was vague about its plans, but committed to the concept. "We are currently in the process of developing an action plan," the company wrote to Grassley. Amgen Corp. and Abbott Laboratories said they had formed working groups to determine how to compile and display their grants. Schering-Plough Corp., however, told the senator what he didn't want to hear: "We do not publish or have plans at the moment to publish a list of charitable contributions or educational grants that medical organizations have received from us."

Grassley said, overall, he was happy with the responses. "The way these companies are making information about financial relationships open to scrutiny is the right thing to do," he said. Two other companies said they already were disclosing third-party payments. The two, Zimmer Inc. and Stryker Orthopedics Inc., avoided criminal prosecution over financial inducements paid to surgeons to use their products, prosecutors announced last year. The companies agreed to new corporate compliance procedures and federal monitoring. Zimmer also had to pay the government \$169.5 million.

The hip-and-knee industry was the subject of a recent Senate Aging Committee hearing titled "Surgeons for Sale." Companies routinely paid doctors \$5,000 every three months for providing information on market trends and operating-room activity. However, the reports typically offered only cursory descriptions and often were duplicated from one quarter to the next. Also, companies sponsored consultant meetings at resort locations. The meetings lasted just a few hours each day. The physicians who presented information at the meetings spoke for as little as 10 minutes.

"Although the remainder of the day was available for recreational activities paid for by the company, the consultants were compensated \$5,000 for a full day of work," said Gregory E. Demske, an assistant inspector general.

Eli Lilly began listing its grants last year. It gave \$18.9 million in the second quarter of 2007, according to the Prescription Project, a Boston-based group that promotes policies to reduce conflicts of interest. "They support those organizations which they believe will have a positive impact on their drug sales," said David Rothman of Columbia University and associate director of the Prescription Project. "It's self-evident but important."

If all of the companies follow through with their commitments to Grassley, there also would be widespread disclosure of how much money they give patient advocacy groups. The groups rely on industry for much of their financing. For example, the **American Heart Association said donations from the pharmaceutical and device industry make up about 6 percent of its annual income**, and totaled **\$48.3 million** in the organization's latest fiscal year. "Donations from corporations, including the pharmaceutical and device industry, allow us to further enhance our programs and outreach, and to bring objective science and the highest quality of public education and information to more people," said Maggie Francis, the association's communications manager.

Grassley and Sen. Herb Kohl, D-Wis., have introduced legislation that would require drug and device makers to disclose anything of value given to physicians, such as payments, gifts or travel. The disclosure of medical education grants is an extension of that concept. Last year, the staff for the Senate Finance Committee issued a report that said the drug industry may be using the "medical education industry to deliver favorable messages about off-label uses that the drug companies cannot legally deliver on their own."

The committee report noted that Warner-Lambert, now owned by Pfizer Inc., paid \$430 million to settle claims that medical conferences it sponsored were used to illegally promote off-label uses of the anti-seizure drug Neurontin. Serono-Laboratories paid \$704 million to settle a similar claim concerning the AIDS drug Serostim. In a few states, such as Vermont and Minnesota, drug companies must disclose certain payments to physicians. Baxter International Inc. told Grassley that it could support legislation setting a national disclosure standard, but it's critical the standard pre-empt state laws.

"Overlapping and conflicting state requirements have created, and would continue to create, duplication, uncertainty, and burden in complying with them," a Baxter official wrote.

On the Net:

Senate Finance Committee Report:

<http://www.senate.gov/finance/press/Bpress/2007press/prb042507a.pdf>

The Prescription Project: <http://www.prescriptionproject.org>