



**Massachusetts
Prescription Reform
Coalition**

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www.hcfama.org/MPRC

AARP Massachusetts

AIDS Action Committee

Change to Win

Commonwealth Care
Alliance

Commonwealth of
Massachusetts Group
Insurance Commission

Community Partners

Health Care For All

Leukemia & Lymphoma
Society of Massachusetts

Massachusetts Councils on
Aging

Massachusetts Senior
Action Council

MASSPIRG

National Physicians Alliance

Neighborhood Health Plan

The Prescription Project

United Auto Workers
Massachusetts CAP
Council

July 17, 2009

The Honorable Henry A. Waxman
The Honorable Charles B. Rangel
The Honorable George Miller

Support for Physician Payments Sunshine Provision

Dear Sirs,

On behalf of the Massachusetts Prescription Reform Coalition (MPRC), thank you for your including Subtitle D— Physician Payments Sunshine Provision (Section 1451) in the July 14 Tri-Committee bill on Health Care Reform.

The MPRC is a broad-based coalition of non-profit national and local organizations, community organizations, healthcare advocates, private insurers, public payers, and healthcare providers committed to promoting evidence-based, unbiased prescribing and access to appropriate and affordable prescription drugs.

Last year, Massachusetts made great strides in reducing costs and increasing transparency in the health care industry through a law that prevents the inappropriate and dangerous influence of industry gifts to providers by enforcing the industry's own internal codes of conduct and requiring transparency of financial relationships between companies and providers.

Chapter 305 includes (1) a gifts ban implemented through a state code of conduct and a (2) public disclosure of payments made by industry to prescribers. These new Massachusetts measures would be enhanced and complemented by the passage of Subtitle D— Physician Payments Sunshine Provision (Section 1451).

The Physician Payments Sunshine Provision reflects the recommendation by major medical, consumer and industry groups, as well as MedPAC and the Institute of Medicine (IOM), for Congress to pass federal legislation to bring transparency to the financial relationships between pharmaceutical or medical device companies and health professionals and organizations.

As you know, numerous Congressional investigations, media reports, published studies and legal settlements have highlighted the extensive financial links between medicine and industry, and the potential of such links to influence prescribing and increase health care costs.

According to analyses in the *New England Journal of Medicine*, 94% of physicians have some financial relationship with industry, and companies

spend at least \$25 billion each year marketing to doctors. While many relationships between academic medicine and industry are necessary and beneficial, they create potential conflicts of interest. Studies show that financial relationships can influence prescribing and drive up costs.

Your bill will create a clear, comprehensive transparency initiative that will generate useful data, but will not limit business conduct. Among the key elements that we support are:

Comprehensive reporting. A reporting threshold of \$5 includes even small gifts and payments that studies show can influence prescribing.

Broad inclusion of covered recipients. MedPAC and IOM agree that a federal transparency standard should go beyond physicians to cover other providers and institutions. Industry marketing to NPs and PAs has increased markedly in recent years to roughly 20 million detail visits in 2006, a 20% increase over 2004.

Careful pre-emption of state laws. Preemption of state disclosure laws will remove a potential compliance burden for companies. We commend the current language for preserving the right of states to collect information that is not collected under the federal bill.

This initiative has support from diverse stakeholders. We believe that its passage will protect patients and help restore trust in our health care system.

If you have any questions, please contact me at gmaheras@hcfama.org or 617-275-2922.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'G' followed by a long horizontal line extending to the right.

Georgia J. Maheras, Esq.
Manager
Massachusetts Prescription Reform Coalition