



Priorities for Federal Health Reform Related to Prescription Drugs July 2009

Transparency: Physician Payments Sunshine Act

Reporting of pharmaceutical and medical device industry payments to prescribers is crucial, because conflicts of interest can influence prescribing, increase costs and erode public trust in the medical profession. Transparency of such payments to prescribers will increase the quality and safety of prescribing, lower prescription drug costs, and restore patient confidence.

Recently the Medicare Payment Advisory Commission and the Institute of Medicine have been joined by numerous consumer, industry and medical groups in calling for federal transparency legislation.

The Physician Payments Sunshine Act (S.301), filed in 2008 and 2009, would shine a light on inappropriate payments made by industry to doctors. S.301 requires drug, biologic, and medical device manufacturers to report certain gifts and payments ("transfers of value") made to physicians. The information would be registered in a national and publicly accessible online database and companies failing to report would incur financial penalties.

The Sunshine Act was included in the Senate Finance Committee's options memo on delivery system reform, and is expected to be included in the committee's legislation to be released in July. The House Tri-Committee health reform draft legislation (June) included a very strong version of the Sunshine Act that would require disclosure of payments to all prescribers and many additional providers and types of organizations.

Key Messages

- We support requiring the reporting of payments to non-physician prescribers, as well as hospitals, professional organizations and patient groups; payments to any of these groups represent potential conflicts of interest.
- Transparency legislation should include payments by all pharmaceutical and device companies, not just those of large businesses.
- A federal law should not pre-empt state laws, or at most, only pre-empt those disclosures required under the federal law, while allowing states to take further action if they choose.

Comparative Effectiveness Research

The Federal Coordinating Council for Comparative Effectiveness Research (CER) recently released its draft definition of comparative effectiveness research: “[CER] is the conduct and synthesis of systematic research comparing different interventions and strategies to prevent, diagnose, treat and monitor health conditions.” CER is an opportunity to help ensure that health care providers and patients have the tools to choose the most clinically effective, culturally appropriate and safest health care treatments and strategies for individual patients under specific circumstances. There are serious gaps in evidence on what works best in health care, including the effectiveness of treatments for many groups—such as women, children, minorities, older adults, and people with special health care needs—who are not included in sufficient numbers in many studies today.

Key Messages

- We support a robust comparative effectiveness research initiative, organized to best serve the public interest and protected from influence by the political process or by the drug and device industries.
- Diverse stakeholders, including consumers, should be involved in setting the CER agenda, but it is critical that the governing body and clinical panels be absolutely free of potentially damaging conflicts of interest.
- Comparative effectiveness will not meet its promise of providing the best science to assist providers and patients in their decision-making if the process is vulnerable to influence by industry, special interests or conflicted individuals.