

The Truth  *About Health*

Connecticut Legislation Would Require Drug Companies To Disclose Gifts,
Incentives It Gives Health Care Providers

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Connecticut Attorney General Richard Blumenthal has announced a proposal requiring pharmaceutical companies to disclose to the state what gifts and other financial incentives it provides to healthcare providers in order to market its drugs.

Under Blumenthal's proposed legislation, pharmaceutical companies would have to disclose to the Commissioner of Public Health the gifts and other financial incentives provided to healthcare providers as part of their marketing strategy.

Blumenthal's proposal would reveal any potential motivating factors that physicians or healthcare organizations may have in prescribing one drug over other drugs.

"Drug companies apply an arsenal of marketing ploys to influence healthcare providers to prescribe their products," Blumenthal said. "These drug companies spend more than \$20 billion annually in marketing — about 90 percent directed to doctors. The name of the game is reciprocity. This law would require broad disclosure."

The proposed legislation would reveal to the public what inducements or incentives pharmaceutical companies bestow on prescribing physicians, so that patients can make informed decisions. For example, all fees, and gifts such as free trips or meals and any financial benefits would have to be disclosed.

Patients Should Know the Facts

"Knowledge is power," Blumenthal said, "especially about drug company marketing. Just as they research purchases of cars, appliances and clothing, consumers should know the facts before making vital decisions about drugs."

The State of Connecticut's Healthcare Advocate Kevin Lembo said, "When 30 percent of your prescription cost goes to marketing, it's clear we can find savings for consumers by cutting back. Brand loyalty flows from the effectiveness of the medication, not from how many pens or lunches a pharmaceutical provides."

"This legislation is badly needed to address rapidly escalating commercial pressures on healthcare providers in Connecticut," said Charles Bell, Programs Director for Consumers Union, the nonprofit publisher of Consumer Reports magazine. "Consumers deserve to know how much drug companies are spending to influence physician prescribing decisions. This simple disclosure would be extremely cost-effective, and provide valuable information for consumers, physicians, state health officials, and other policymakers."

Jean Rexford, executive director of Connecticut Center for Patient Safety, said, "According to research from Health Strategies Group, the average primary care physician interacts with 28 sales

reps each week; the average specialist interacts with 14. Another way of looking at influence is to consider expenditures per physician. In 2005 it was \$8,289.51”

Under the proposed legislation, failure to lawfully disclose gifts and other incentives would result in a civil fine of up to \$10,000.

Free samples for patients, compensation for clinical trials, scholarship payments for students and resident physicians would be excluded from these requirements.

SOURCE: Connecticut Attorney General's Office <http://www.ct.gov/ag/cwp/view.asp?Q=332062&A=2788>