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THE NEW HEALTH CARE

What We're Learning About Drug Company Payments to Doctors

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By Charles Ornstein, Ryann Grochowski Jones and Eric Sagara

On Tuesday, the federal government is expected to release details of payments to doctors by every pharmaceutical and medical device manufacturer in the country.

The information is being made public under a provision of the 2010 Affordable Care Act. The law mandates disclosure of payments to doctors, dentists, chiropractors, podiatrists and optometrists for things like promotional speaking, consulting, meals, educational items and research.

It's not quite clear what the data will show — in part because the first batch will be incomplete, covering spending for only a few months at the end of 2013 — but we at ProPublica have some good guesses. That's because we have been detailing relationships between doctors and the pharmaceutical industry for the past four years as part of our Dollars for Docs project.

We've aggregated information from the websites of some large drug

companies, which publish their payments as a condition of settling federal whistle-blower lawsuits alleging improper marketing or kickbacks. Today, in cooperation with the website Pharmashine, we've added data for 2013, which now covers 17 drug companies accounting for half of United States drug sales that year. (You can look up your doctor using our easy search tool.)

Here are some facts we've learned from the data:

Many, many health professionals have relationships with industry.

Dollars for Docs now includes 3.4 million payments since 2009, totaling more than \$4 billion, of which \$2.5 billion was for research. For 2013 alone, there were 1.2 million payments valued at nearly \$1.4 billion.

It's not possible to calculate the exact number of physicians represented, because drug companies haven't used unique identification numbers that cross company lines. But it's clear that the figure is in the hundreds of thousands.

Excluding research payments, the drugmaker Pfizer appeared to have interactions with the most health care professionals last year — about 142,600. AstraZeneca came in second with about 111,200. Johnson & Johnson and Forest Labs each had nearly 100,000. There are an estimated 800,000 to 900,000 active doctors in the United States.

“Most physicians that are in private practice are touched in some way” by the industry, said George Dunston, co-founder of Obsidian HDS, the creator of Pharmashine. “You add that up and it's a pretty significant number.”

Surveys conducted in 2004 and again in 2009 showed that more than three-quarters of doctors had at least one type of financial relationship with a drug or medical device company. The figure dropped from about 94 percent in 2004 to 84 percent in 2009, said the lead author, Eric Campbell, a professor of medicine at Harvard Medical School and director of research at the Mongan Institute for Health Policy at Massachusetts General Hospital.

Dr. Campbell, who has been critical of physician-pharma ties, says he hasn't conducted a follow-up survey but suspects that the percentage of doctors receiving payments has probably decreased somewhat since then.

“The old approach was just to try to get as many docs as you can, blanket coverage, and establish relationships,” he said. “I think they're being much more targeted and specific.”

Some doctors have relationships with many companies.

Those who read the fine-print disclosures accompanying medical journal articles know that doctors often have relationships with several companies that compete in a drug category (such as heart drugs or those for schizophrenia). Our data bear that out.

Some highly sought-after key opinion leaders, as they are known in the industry, work for half a dozen or more companies in a given year.

Dr. Marc Cohen, chief of cardiology at Newark Beth Israel Medical Center, received more than \$270,000 last year for speaking or consulting for six companies listed in Dollars for Docs. He is a prolific researcher and author.

In an interview, Dr. Cohen said he works only with companies whose drugs are backed by large clinical studies. “In general terms, the science behind the product is very strong,” he said. “These are the companies that I've chosen to work with.”

A California psychiatrist, Gustavo Alva, earned \$191,000 in 2013 for speaking or consulting for four companies, our database shows. Alva did not return a phone call for this article, but last year he told ProPublica, “I actually enjoy the aspect of educating my counterparts about developments in the field.”

The biggest companies aren't always the ones that spend the most. Some smaller drug companies spend big, too.

Consider Forest Labs, a midsize drug company that was acquired in July by Actavis, a larger company based in Dublin. Forest's \$3.8 billion in United States drug sales in 2013 placed it on the edge of the top 20 companies, according to IMS Health, a health information company.

Its sales were far lower than those of Novartis and Pfizer, the top two companies by sales last year. Yet Forest easily outspent these competitors on promotional speaking events last year.

Forest spent \$32.3 million on paid talks in 2013, compared with \$12.7 million for Novartis and \$12.6 million for Pfizer.

An Actavis spokesman declined to comment on the company's strategy, but a Forest spokesman said last year that the company spent more on speakers because it didn't use pricey direct-to-consumer TV marketing. It also had more new drugs than its competitors.

Companies with newer drugs or newly approved uses for their existing drugs often seem to spend more. Companies that don't have many new products or have lost patent protection on their drugs, or are about to lose it, tend to pull back.

"A lot of this has to do with where companies are in their development cycle of new products or emerging products, rather than an industry-specific trend," said John Murphy, assistant general counsel at the Pharmaceutical Research and Manufacturers of America, an industry trade group.

Meals vastly outnumber all other interactions between drug companies and doctors. But they account for a much smaller share of costs.

Food accounted for nearly 50,000 of Amgen's 55,000 payment reports, excluding research, in 2013, or roughly 91 percent. But at a cost of \$3.1 million, those meals represented only about 20 percent of its payments. By comparison, the company spent almost double that amount, \$6 million, on just 600 physician speakers.

Other companies followed the same pattern; speakers can command \$2,000 to \$3,000 per engagement, or more.

Given doctors' busy schedules treating patients, mealtimes are often the only time to reach them, said Murphy, PhRMA's lawyer. Company sales representatives bring information — and a meal. "A lot of doctors' offices are closed for lunch," he said. "During patient care hours, we want them to see patients."

Researchers say that whatever the motivation, even small gifts or meals can influence a doctor's perception of a drug and lead to more prescribing of it.

Does any of this disclosure work?

Well, it depends on what your definition of "work" is.

Dollars for Docs has been consulted more than eight million times during the past four years. Some patients have told us that a payment has caused them to question a doctor's prescription for a certain drug. Other patients have said that it gives them confidence that their physician is an expert.

In the years leading up to the federal data release, we've reported that many companies have cut back their spending on promotional speakers. But Scott Liebman, a New York lawyer who advises pharmaceutical companies, says it's too early to say if the payment disclosures are causing this, or if business factors play a greater role.

What do you see when you look up your doctor? Does it give you confidence or raise concerns? Please share your story with us at checkup@propublica.org.

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