

Blanch, Belinda

From: Ken Harvey
Sent: Wednesday, 1 October 2014 8:35 AM
To: Macrae, Tess
Subject: Re: Medicines Australia Limited - Revocation and Substitution - A91436 - A91440

Dear Tess,

I wish to comment on point 2, "Consent to disclosure" in the latest submission from Medicines Australia to ACCC (below):

The first dot point is contestable given that industry sponsored "education" has been shown to preferentially highlight the sponsor's drug compared with independent education. See, Wazana A, "Physicians and the Pharmaceutical Industry: Is a Gift Ever Just a Gift?"
<http://jama.jamanetwork.com/article.aspx?articleid=192314>

With respect to the penultimate dot point MA fails to point out that "business-to-business" transactions (discounts and other inducements to pharmacists to preferentially stock &/or substitute a specific company's generic product) were excluded from disclosed transfers of value! See Transparency Principle 6 in <http://medicinesaustralia.com.au/files/2012/08/20130527-TWG-Principles-for-Transparency.pdf>

I'm happy for these comments to be published on the ACCC web site as an additional submission.

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Latest submission from Medicines Australia to ACCC

See:

<http://registers.acc.gov.au/content/trimFile.phtml?trimFileTitle=D14+129826.pdf&trimFileFromVersionId=1181903&trimFileName=D14+129826.pdf>

"2. Consent to disclosure

In response to the further submissions of Dr Harvey and Professor Morris which propose that Medicines Australia member companies could refuse to deal with healthcare professionals who do not consent to having information regarding them published, Medicines Australia:

- considers that prohibiting member companies from facilitating directly medical education for healthcare professionals who do not consent to disclosure may prevent interactions that ultimately improve patient care. The public benefits of such interactions are not controversial and have been recognised by the Australian Competition Tribunal;³
- notes that member companies regularly support educational events run by third party providers such as professional colleges. In this regard, the new transparency regime in Edition 18 of the Code requires member companies to report on transfers of value associated with providing financial support to third parties: section 41.3.5;

- refers to the results of the Cegedim Strategic Data survey provided to the ACCC on 16 September 2014 which suggest that the majority of healthcare professionals are likely to consent to disclosure; and
- reiterates the comments in section 2.4 of its letter to the ACCC of 28 August 2014 as to why Medicines Australia considers it inappropriate to require member companies to boycott healthcare professionals who do not consent to disclosure.⁴

Medicines Australia also reiterates the comment in section 5.4(b) of its 2 July 2014 submission, that a regime which compels members to boycott healthcare professionals who choose not to consent to disclosure will serve to exacerbate the uneven playing field that exists between members of Medicines Australia and generic manufacturers. Medicines Australia disagrees with the suggestion that no such disadvantage will arise as member companies and generic manufacturers deal with different types of healthcare professionals (pharmacists vs doctors). Medicines Australia refers to:

- the definition of 'healthcare professional' in Edition 18 of the Code which states:⁵ 'Healthcare professional means a healthcare professional registered to practice in Australia who in the course of their professional activities may prescribe, dispense, recommend, supply or administer a prescription medicine in Australia'. This definition captures both pharmacists and doctors. Accordingly, the new transparency provisions in the Code will apply to interactions between member companies and both doctors and pharmacists; and
- the estimate in section 6 of Medicines Australia's letter to the ACCC of 16 September 2014, that at least 35% of medicines supplied under the PBS by volume are supplied by non-member companies, such as generic manufacturers. These figures make clear the competition faced by member companies from generic manufacturers for the supply of such medicines."
