

Allens

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia

T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

GPO Box 50
Sydney NSW 2001 Australia
DX 105 Sydney

ABN 47 702 595 758

Allens > < Linklaters

2 October 2014

Dr Richard Chadwick
General Manager, Adjudication
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Dr Chadwick

**Medicines Australia: Application for Revocation and Substitution
A91436-A91440**

We refer to our letters of 28 August and 16 September 2014 in relation to Medicines Australia's application for authorisation of Edition 18 of the Code of Conduct (the **Code**). Specifically, we refer to Medicines Australia's comments on difficulties experienced in the United States associated with the implementation of the Centres for Medicare and Medicaid Services' transparency reporting database (pursuant to the Physician Payments (Sunshine) Act).

Further to these comments we attach an article published by PharmaDispatch on 1 October 2014 discussing the first publication of data pursuant to the Sunshine Act. The article identifies several problems associated with this publication, including the volume and detail of the data published and the format used to display the information.

The difficulties identified in this article demonstrate:

- the importance of ensuring that logistical, legal and technological challenges associated with publishing transparency data are addressed effectively before a centralised database is established in respect of transparency reporting under Edition 18 of the Code; and
- the value of publishing transparency data which focuses on key interactions between member companies and healthcare professionals.

Yours sincerely

Fiona Crosbie
Partner
Allens
Fiona.Crosbie@allens.com.au
T +61 2 9230 4383

Catherine Bembrick
Senior Associate
Allens
Catherine.Bembrick@allens.com.au
T +61 2 9230 5167

Our Ref FVCS:CHBS:206029656
chbs A0130821006v1 206029656 2.10.2014

Allens is an independent partnership operating in alliance with Linklaters LLP.

- PharmaDispatch - <http://www.pharmadispatch.com> -

Small payments dominate “clunky” website

Posted By [Paul Cross](#) On October 2, 2014 @ 7:51 am In [Latest News](#) | [No Comments](#)

If anyone believes Australia should adopt the US legislated model for disclosure of payments from pharmaceutical companies to healthcare professionals, spend some time on the [US Open Payments Data](#) ^[1] website, and prepare to be completely confused.

If the purpose was to make the relationship between healthcare companies and doctors more transparent, it has certainly been lost in translation.

The first publication of data under the US disclosure model covers the last five months of 2013 and comes four years after it was legislated. It includes US\$3.5 billion in 4.4 million payments to around 550,000 doctors and 1,360 teaching hospitals.

The US model is very different to the one proposed by Medicines Australia in its new Code of Conduct. It contains far more detail – every single payment or transfer of value, covering research and even share ownership – and covers all companies involved in the promotion of therapeutic goods, including medical device and all pharmaceutical companies, innovator and generic.

The disclosed data includes detail of over 2.6 million payments to identified individual healthcare professionals.

Of these, around 25,000 payments have a value of under US\$1, which are thought to be photocopies or other pieces of paper, such as handouts at meetings, around 200,000 payments are under US\$5, and over 560,000 payments under US\$11.

An extraordinary one million payments are under US\$14, and almost half of all disclosed payments are under US\$15.

One of the main arguments used by Medicines Australia against the US disclosure model is that it includes large volumes of information that, while taking significant resources to compile for the purpose of disclosure, is largely irrelevant to substantive payments such as travel, conference attendance and consultancies.

The US disclosure also includes payments made in relation to research, which actually represent around half of the disclosed payments and dominate disclosures from many companies in terms of value.

The US\$3.5 billion in total disclosed payments includes a single payment of US\$122.5 million from Roche to the City of Hope Medical Center in California as a royalties relating to sales of cancer therapies HERCEPTIN and AVASTIN.

Bristol-Myers Squibb disclosed US\$329 million in research payments, compared to just US\$11.9 million for consulting, travel and other activities.

The level of detail in the US model means that the website is very difficult to navigate. In fact, it is hard to imagine many patients would have the skills required to search the relevant database to successfully locate one of their doctors, remembering that the data is actually organised across multiple data sets.

Even when an individual doctor is identified, there are so many individual points of data that actually finding the payment information is quite difficult.

A name search reveals a table of information. The doctor's names appears in the tenth column, with relevant payment information, specifically the amount, around 40 columns away.

In response to the publication, *The New York Times* described the website as “clunky.”

The complexity of the website has also led to errors, a point also made by *The New York Times*.

“When the website went live, one large payment to a doctor, a Boston neurologist, turned out to be an error. The data showed that Dr. Reisa Sperling, an Alzheimer’s researcher at Harvard Medical School, received a payment from the drug company Boehringer Ingelheim totaling more than \$155,000 for travel expenses in September of 2013. But Dr. Sperling said she only did a one-day consulting assignment for the company in Boston and was paid no more than \$5,000.

“A spokeswoman for Boehringer Ingelheim confirmed that the amount was incorrect and said the company had previously notified the federal government of the error. She said the data released Tuesday did not include the corrected information that the company provided,” the *The New York Times* said.

Article printed from PharmaDispatch: <http://www.pharmadispatch.com>

URL to article: <http://www.pharmadispatch.com/small-payments-dominate-clunky-website/>

URLs in this post:

[1] US Open Payments Data: <https://openpaymentsdata.cms.gov/>

© Copyright 2013 Daily Dispatch Pty Ltd