

MSD

Merck Sharp & Dohme (Australia) Pty Limited
ABN: 14 000 173 508
Level 1 - Building A, 26 Talavera Road
Macquarie Park NSW 2113
North Ryde Post Business Centre
Locked Bag 2234 North Ryde, NSW, 1670
T 02 8988 8000
F 02 8988 8001
msd-australia.com.au



15 July 2014

Tess Macrae
Senior Project Officer, Adjudication Branch
Australian Competition & Consumer Commission
Level 35
360 Elizabeth Street
MELBOURNE VIC 3000

via email: Adjudication@acc.gov.au

Dear Sir/Madam

Re: Edition 18 of the Medicines Australia Code of Conduct

Merck Sharp & Dohme (Australia) Pty Ltd ("**MSD**") provides submission regarding the re-authorisation (application for revocation and substitution) in respect of Edition 18 of the Medicines Australia Code of Conduct. MSD supports Medicines Australia Limited's ("**Medicines Australia**") changed proposals to the Code of Conduct ("**Code**").

MSD is a global healthcare leader working to help the world be well. Our products cover a broad range of areas, including heart and respiratory health, infectious diseases, women's health and oncology (malignant melanoma). We focus our research on conditions that affect millions of Australians.

The most significant change recently proposed by Edition 18 of the Medicines Australia Code of Conduct focuses on increasing transparency and disclosure and is aligned with EU recommendations (the EFPIA Model). These changes follow Edition 17 of the MA Code which allowed for aggregate level disclosure and which allowed this transition to greater disclosure.

This proposal adopts an "activity-based" rather than "monetary limit" (US Sunshine model) approach to disclosure and reporting i.e.

- a. Reporting relates to Australian HCPs (Healthcare Practitioners) paid by the Australian company/business;
- b. Reports activities where there is a contract and the HCP is paid or receives a transfer of value;
- c. Sets a maximum amount for hospitality; and
- d. Continues to report sponsorships of third party events.

MSD supports this substantial change to the Code and the operation of the innovator pharmaceutical industry in Australia. MSD believes that this change to the Code represents a significant shift towards greater transparency by the innovator pharmaceutical industry and will go a long way to building trust and public confidence in our industry and MA member companies.

However, public disclosure and transparency within the pharmaceutical industry is a process that involves many different stakeholders, not just innovator pharmaceutical companies such as MSD. It also involves medical professionals, consumer health bodies, the broader public, and those pharmaceutical companies who are not members of MA. Disclosure of individual HCP's financial support is a progressive step that is at the forefront of Australian business practices.

MSD believe that as, a result of Edition 18 of the Code, the innovator pharmaceutical industry are now setting a higher standard of transparency in their interactions with medical professionals. Through the adoption of the EU aligned model on transparency, Edition 18 provides a manageable framework for disclosure and provides a practical framework to address the issues around privacy, MSD would submit that the need to have transparency should not be unattainably burdensome and costly for businesses to implement.

Because millions of people in Australia and around the world depend on our products, we are committed to the highest standards of ethics and integrity in how we conduct ourselves as a company. MSD acknowledges that our integrity and credibility is an enabler in building trust with consumers and health care professionals. We believe the Medicine Australia (Edition 18 of the Code) which requires MSD to publicly disclose aggregate payments to doctors and consumers is consistent with emerging community expectations for our industry.

Yours faithfully



Dr Susanne Fiedler
VP & Managing Director ANZ

Merck/MSD is a global healthcare company and is known as MSD outside the United States and Canada. Through our prescription medicines, vaccines, biologic therapies, and consumer care and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to healthcare through far-reaching policies, programs and partnerships. For more information, visit <http://www.merck.com> and connect with us on Twitter, Facebook and YouTube.