

Vermont Association for Mental Health

4.23.09 Testimony for House Health Care Committee

The Vermont Association for Mental Health (VAMH), a statewide citizens' organization, strongly supports and endorses the bill S.48 and many elements of H.270.

Although the bill focuses on the relationship between drug companies and physicians in Vermont - - especially as it relates to “gifts” and their disclosure - - in reality, we see this as a piece of legislation which has considerable benefits to *consumers and patients* of health care. An informed consumer, one who knows information about drug company gifts to physicians and other health entities, is empowered - this alone is a common sense “step in the right direction”. And it is our belief that this legislation will have what we would categorize as unintended consequences such as having a favorable impact on slowing down the cost of medications while also influencing, in a positive manner, prescribing patterns.

We live in an age of incremental health care reform and these bills are but one step, frankly a modest and reasonable but important step, in making sure that we create transparency and disclosure in regard to a relationship between drug companies, physicians and others who influence health care policy and the marketing of medications. This bill will shed much light – like sunshine in an old Vermont basement – on a problem that is much more disturbing, much more troubling and much more costly than many legislators can imagine.

The Vermont Association for Mental Health agrees with Vermont Attorney General Bill Sorrell when he said last year, “the pharmaceutical industry has too much influence over the practice of medicine in Vermont”, when he provided the public with the annual pharmaceutical marketing disclosure report on July 9th, 2008. To be candid, we think it is a poor reflection, a polite way of saying disgraceful reflection, on the state of healthcare that Vermont doctors accepted \$3.1 million in gifts from drug companies (as reported on

July 9th of 2008) and nearly the same amount in Attorney General's report released last week. *It is unnecessary, unwise and it raises disturbing questions about whether health care is patient centered or market directed.*

The VAMH has little doubt that the current "arrangement" between pharmaceutical companies and the health care industry has *distorted and influenced prescribing patterns*. The first step in shedding light on this assertion and in confirming or rejecting this assertion is to open to window to information (disclosure) and then keep it open for public review. This lack of transparency and disclosure has undermined confidence in one of our most esteemed professions - - that of doctor of medicine.

We think that the S.48 (and much of H 270) provides a fair and balanced approach which will change the lax and often times unsavory environment that currently exists between drug companies and doctors while also

crafting some exemptions that hopefully can be monitored and publicly recorded. *The age of unregulated “Big Business” is over in America and the pharmaceutical industry, an incredibly successful industry, not only has been highly unregulated but it has directly and indirectly written many of the rules which protects itself from public review.* Your work on this legislation will have consequences in Vermont and across the nation.

The heart and sole of this legislation is relatively straight forward. To be sure, the key elements of this bill are the removal of the existing trade secret exemption and the requirement that “disclosure information” be available on an accessible web site to the public-at-large.

We strongly urge you to support the work of the Senate in S-48 which ultimately characterized “free meals or modest meals” as marketing devices rather than essential elements of educational training. The notion that doctors are so busy that the only way they can gain access to important pharmaceutical information is by

having food delivered so that they can be feed and educated is either a relic of past era of believing that there is such thing as a free lunch or simply an absurd proposition. With confirmation that 11% of Vermont doctors received more than a \$1,000 in free meals this past year, it is time to simply “do the right thing”. We reject the idea of modest meals as much as we reject the concept of outrageously expensive meals. And there were arguments made in the Senate debate that some doctors are so poorly compensated that pharmaceutical gift payments are an important source of supplemental income. This proposition is so ludicrous that hopefully it will not repeated.

We are also supportive of the inclusion of disclosure of gifts to academic institutions as well as to nonprofit, professional, education or patient organizations representing health care professions or consumers. This is a necessary and needed step for transparency and for better understanding the marketing and the politics of marketing of medications.

The Vermont Association for Mental Health is aware and also concerned that there are weaker proposals on

the table in the United States Congress, particularly in the U.S. Senate Finance Committee (a Physician Payment Sunshine Act), which could potentially preempt our proposed legislation. We raise this issue now so that this concern can be addresses in appropriate ways.

Conclusion

The last decade has been marked by a lack of regulation of the pharmaceutical industry, one of the most powerful and fiscally endowed sectors of our healthcare industry. It has resulted in system that has greatly confused best practice and evidence based medication practice with marketing techniques - - this confusion must end. The cost of this situation to the state of Vermont, to our healthcare system and to all consumers is enormous but because only two or three states in America have any type of disclosure law, it is impossible to confirm our reject our assertion. The bills S.48 and H.270 are incremental steps in returning to a consumer and patient centered system of care where transparency and disclosure can only inform all of us

about appropriate uses of medications while also enhancing an environment that encourages other options of clinical care and treatment.

Snapshot of our testimony

VAMH would like to list the following attributes that are important, we would argue essential to the design of legislation.

- 1. The end of the trade secret exemption, which in fact will be a major step towards transparency and disclosure.**
- 2. The establishment of an accessible and readable web site with concise and readable information**
- 3. The elimination of free meals to physicians, identifying them as marketing tools rather than essential components of an educational activity.**
- 4. A requirement of disclosing gifts to healthcare centers, hospitals and non-profit educational organizations.**

For purposes of summary, we would urge more study on the important topic of “therapeutically equivalent generic drugs”.

We would urge further review of the concept of disclosure as it relates to medical devices and biological products.

The VAMH will offer brief proposals to enhance the following:

**** The need for a study of the purchasing and prescription patterns for psychotropic medications for children and adolescents in Vermont.**

**** The need to encourage academic detailing projects in Vermont, especially within the Medical School at the University of Vermont.**

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