PharmaPhobia & What to Do About It

Tom Stossel Attempts to Debunk the Conflict-of-Interest “Myth”

Author: John Mack
Thomas P. Stossel, M.D., visiting scholar at the American Enterprise Institute for Public Policy Research, recently published a new book titled PHARMAPHOBIA. The book is a call to action against the “Conflict of Interest Myth,” which Stossel claims is undermining American medical innovation. The publisher’s press release describes it this way:

“As PHARMAPHOBIA contends, bureaucrats, reporters, politicians, and predatory lawyers have built careers attacking the medical products industry, belittling its critical contributions to medical innovation and accusing it of nonexistent malfeasance: overselling product value, flaunting safety, and corrupting physicians and academics who partner with it. The mania has imposed ‘conflict-of-interest’ regulations limiting or banning valuable interactions between industry and physicians and researchers —while diverting scarce resources from medical research and innovation to compliance. The results are ruinous litigation, product excise taxes, price controls, weakening of essential patent protection, and other political rent-seeking schemes that erode corporate profitability and ultimately harm individual patients.”

Instigators, Enablers, & Enforcers
Stossel uses many combative terms to describe the focus of his critique. In his book and in a Pharma Marketing Talk interview (see box on right), Stossel repeatedly refers to the conflict-of-Interest “movement,” conflict-of-interest “mania,” and conflict-of-interest “instigators, enablers and enforcers,” which include physicians and even pharmaceutical executives according to Stossel.

Here’s a sample of Stossel acerbic writing style:

“The case underlying the conflict-of-interest movement is a mixture of moralistic bullying, opinion unsupported by empiric evidence, speculation, simplistic and distorted interpretations of complicated and nuanced information, superficially and incompletely framed anecdotes, inappropriately extrapolated or irrelevant psychological research results, and emotionally laden human-interest stories.”

Which, to me, sounds like a typical direct-to-consumer drug ad, especially the parts about “simplistic and distorted interpretations of complicated and nuanced information” and “emotionally laden human-interest stories” (read, for example, “Online e-Patient & Celebrity Patient Video Testimonials”; http://bit.ly/pmn130801).

An Unconvincing Argument
But will Stossel's new book, which ends with a section on “What is to be done,” turn the tide as he hopes it will?
(which implies that pharma is somehow wasting their marketing efforts, a contention we know is not true). Read “The Slippery Slope of Pharma Physician Phreebies”; [http://bit.ly/pmbslipperslope](http://bit.ly/pmbslipperslope)

Stossel doesn’t address more relevant research such as the study from the UCSD Rady School of Management. Researchers there collected data on payments to physicians provided on the Dollars for Docs website, hosted by [ProPublica](http://www.propublica.org) and matched that information to prescription information for each doctor as reported from Medicare (Part D) reimbursements.

The data show that the highest paid physicians—i.e., top 10-20%—significantly increase prescriptions for the sponsors’ drugs and decrease prescriptions for other companies’ drugs (see Figure 1, below).

**The Slippery Slope Toward Sunshine**

I doubt the results of this study would alter Stossel’s opinion about the corrupting influence even small gifts have on physician prescribing habits.

As Stossel points out, the Sunshine Act requires pharmaceutical companies to report any gifts and payments in kind of $10 or more. Stossel focuses on this issue because (1) no one was willing to “fall on his sword” defending trinkets and other small gifts (e.g., pens and sticky pads) given to physicians by pharmaceutical companies, and (2) that lack of pushback on small gifts was a tacit admission that there exists a corruption problem, which (3) opened the door for the COI movement “instigators,” who (4) were able to get the Sunshine Law passed as part of the Affordable Care Act.

Continues…

---

**Figure 1.** The top panel plots prescriptions per patient for drugs of the twelve sponsoring pharmaceutical firms that made payments to physicians. The bottom panel plots prescriptions per patient for drugs not from these twelve pharmaceutical firms. In both panels, doctors are first sorted into decile bins according to total prescriptions and then into decile bins according to total payments from the twelve sponsoring pharmaceutical firms. You can find more information about this study here: “Paid Docs Twice as Likely to Prescribe Sponsors’ Drugs - But They Must Be Paid Well!”; [http://bit.ly/1Knj6c2](http://bit.ly/1Knj6c2)
The **Gifts to Physicians Survey** hosted by *Pharma Marketing News* asked respondents:

“In your opinion, to what degree may EACH of the following pharmaceutical industry gifts/subsidies/payments to physicians present a potential conflict of interest (COI)? Think of it this way: if you vote High Degree, you favor banning the practice; if you choose Very Low Degree, you favor continuing the practice as is.” (Response ranges: High Degree of Conflict, Moderate Degree of Conflict, Neutral/Don’t Know, Not Much Conflict, Very Low Degree of Conflict):

- Free lunch delivered to office in exchange for sales presentation
- Free drug samples
- Pharma-supported CME (free to physicians)
- Free meals away from the office
- Payment for attendance at lectures and conferences
- Payment for travel to meetings or scholarships to attend meetings
- Payment for participation in speakers bureaus
- Free provision of ghostwriting services
- Grants for research projects
- Payment for consulting relationships

The results are summarized in the following chart:
Pharma Marketing News

The Sunshine Act has so far provided public access to data records containing 4.4 million payments valued at nearly $3.7 billion in payments and transfers of value made to physicians and teaching hospitals in the last five months of Calendar Year 2013. This includes ownership or investment interests in applicable manufacturers and GPOs (group purchasing organizations) held by physicians or their immediate members, in addition to payments provided for research activities, gifts, speaking fees, meals, or travel.

I recently used this tool to find out more about the types of payments big pharma companies make to physicians. I only looked at payments for items/services unrelated to research and ownership of stock; i.e., marketing-related items/services, which include:

- Food and Beverage
- Consulting
- Charitable Contributions
- Education
- Grants
- Honoraria
- Speaker Fees
- Travel and Lodging

Unfortunately, I could not download the entire database because the number of records exceeds Excel’s limit. Instead, I downloaded data for six specific pharma companies (Novartis, Pfizer, Johnson & Johnson, GSK, Astrazeneca, and Janssen Pharmaceuticals) to perform my analysis. Although the result may not be representative of the entire drug industry, it does show how different companies dole out the dough to docs.

The pie chart shown in Figure 2 represents the average percent spent in several categories by these 6 companies. “Other” includes education, honoraria, grants, and charitable contributions. Note that these are payments made in the last 5 months of 2013. Also see Figure 3 on page 5.

**Stossel’s Call to Action**

The calls to action Stossel mentions in the “What is to be done” section of his book are weak. Most of his ideas have already been tried; i.e., such as recruiting Anti-COI KOLs (“companies should recruit as many of these partners as they can, and they should especially seek out individuals with influence in their professional organizations”).

Stossel also recommends that his followers bring his message (i.e., his book) to those people who “have enough at stake to pay attention to it, deal with the confrontation associated with it, and be willing to participate in advocacy to promote it. The groups to focus on,” says Stossel, “are the many people with diseases or whose families have diseases that they want to have prevented, better managed, or cured.”

His suggestion that someone—perhaps someone inside PhRMA, the industry’s U.S. trade association—should have “debunking the myth” as his (or her) main job is not a very innovative solution. It seems that at least 50% of PhRMA’s PR efforts are already devoted to debunking several of the “myths” that plague the industry. Even pharmaceutical executives such as Lilly’s CEO and PhRMA Board Member John Lechleiter are doing it (read, for example, “Debunking The Five Big Myths About ‘Big Pharma” in Forbes; http://onforb.es/1BeODES). What more can a single full-time person do?

Stossel hopes that his book will be read by the general public. But he himself admits “it’s really complicated and even intelligent, well-educated people—even doctors—don’t understand innovation and how wrong” the conflict-of-interest movement is. Also, the book is over 300 pages long, which is beyond modern-day readers’ attention spans.

*Please see Figure 3 on the next page.*
Figure 3. The six companies in this chart and table accounted for $62.7 million in payments to physicians. This is just a small slice of the $3.7 billion reported by CMS for the last 5 months of 2013.