

Commentary Reprint # 65-04

Murky Physician Marketing and Education Practices

By John Mack

According to a Government Accounting Office (GAO) report, pharmaceutical companies spend approximately 70% more money marketing to physicians than they do to consumers (see Table, below).

pharmaceutical companies as "consultants" to speak on their behalf at "educational" events hosted by these companies (apart from any honoraria they may receive from ACCME-accredited educational programs). These dollars, which may dwarf most grants (see "This Physician

Table 1: Prescription Drug Promotion and Research and Development, 1997 through 2005

Dollars in billions											Average annual percentage increase	Total percentage increase, 1997-2005
	1997	1998	1999	2000	2001	2002	2003	2004	2005			
Promotion												
Spending on DTC advertising ^a	\$1.1	\$1.3	\$1.8	\$2.5	\$2.7	\$2.6	\$3.3	\$4.0	\$4.2	19.6	296.4	
Spending on promotion to physicians ^b	3.9	4.6	4.8	5.6	5.9	6.6	7.4	7.8	7.2	9.0	86.0	
Retail value of samples ^c	6.0	6.6	7.2	8.5	10.5	11.9	13.5	15.9	n.a.	14.9 ^d	162.4 ^d	
Research and Development												
Spending on research and development ^e	15.5	17.1	18.5	21.4	23.5	25.7	27.1	29.6	31.4 ^f	9.3	103.3	

Sources: GAO analysis of IMS Health and PhRMA data.

The physician promotional data includes estimated spending on office and hospital-based promotion to physicians and journal advertising. These estimates do not include other spending, such as drug company spending on meetings and events. These other events and spending include continuing medical education (CME) and advertising at CME events, which could be as much as \$1.5 billion per year. It also does not include fees paid to physicians for participating in post-marketing studies or for "consulting." Some of these fees can be substantial.

Physician Consultant Fees

The industry is reacting to pressure from Congressional committees regarding CME funding by attempting to be "more transparent" and publishing registries of educational grants. Some doctors, however, are receiving a LOT of dollars from

May Earn Up to \$204,000 per Year in Consultant Fees", next page), are never likely to show up in the type of grant registries now being made public by some pharmaceutical companies.

A very large majority (71%) of respondents to a Pharma Marketing Blog poll agree that the public has a right to see which physicians get consultant fees, for what purpose and how much they get.

If the following comment from a physician is any indication, physicians feel that receiving consultant fees from Pharma doesn't necessarily mean that they are "tainted."

I think it's fine to let the public see what type of paid consultancies physicians offer so long as they're not all painted with the same brush. Are there physician skills out there? Undoubtedly. However, what about the opinion leaders out there who are helping design and run trials for every company in a given therapeutic area? Will people understand that money doesn't mean tainted, and that some of these people actually, you



know, get paid for being experts. For example, there was a meta-analysis in JACC last year by Chris Cannon and Eugene Braunwald that showed that intensive statin therapy was significantly more effective in preventing CV events than moderate therapy. On a well-known cardiology site, the very first message on the board regarding these results was, "what are the industry ties of the authors?" And I'm thinking, "are you kidding me? You're questioning the integrity of Cannon and Braunwald?" And that's from a cardiologist, not some random layperson.

I agree that there are issues with Pharma industry, but sometimes I feel like people lose perspective of how industry, medicine, and scientific progress work, and certainly the Cannons and Nissens of the world should be paid for their time and expertise, just like any other professional in any other industry.

The Case of Dr. Nissen

Note that Dr. Nissen, who revealed data suggesting that Avandia causes more MIs than no treatment, receives consulting fees from Takeda, which markets Actos, a diabetes drug that competes with Avandia. Sales of Actos increased dramatically after Nissen's report was published in the New England Journal of Medicine.

Even if Dr. Nissen donates all his speaker's and other drug company consulting fees to charity, as has been claimed, he gains personally by getting grants to run clinical trials at the Cleveland Clinic as pointed out in a recent post to Café Pharma:

"So what if he donates honoraria to a charity fund? He shakes down every company to do IVUS trials with his site as the coordinating center to the tune of several million dollars each. The Cleveland Clinic charges at least 30% overhead on each grant which goes to everything from paperclips to office/lab space for him and his crew, not to mention that his salary and staff salary are paid by these grants. So, he donates tens of thousands in honoraria to a charity fund and keeps millions laundered through "institutional overhead" and "% effort".....yeah, that makes him like a saint, right? Is he doing anything wrong by doing this? No. However, he tries to hold himself out as being pristine, or at least moreso than his colleagues - which is BS and why NONE of his colleagues at the CCF like him, even a little bit."

When is a Free Lunch More Than Just Lunch?

Only 10% of responses to another Pharma Marketing Blog Poll agreed that reps served an essential function by serving free lunches to physicians. In yet another poll, a clear majority (62%) of respondents agreed that pharma should STOP serving free lunches altogether.

Time and time again, when I write about physicians getting free lunches delivered by sales reps, someone always comes forward and says something like "It's ridiculous to think that I can be influenced by a \$10 lunch!"

For some physicians, however, a free lunch has a much greater value than its monetary worth. Take this comment, for example, that I received to a recent Pharma Marketing Blog post:

"I would just like to say that as a former intern and resident working 100-hour weeks while making less than \$30K a year, a free lunch now and then was a godsend and brightened up otherwise long and dreary days."

"Seriously, though, I do understand why institutions are moving toward these 'No Free Lunch' things, but really, cut the scut workers a break every now and then. If you've been there, you know how it sucked and how a free lunch was like having recess."

This anonymous commenter then went on to say: "Neither I, nor anyone I trained with was ever even remotely influenced by a drug lunch (N = at least 100)"

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This Physician May Earn Up to \$204,000 per Year in Consultant Fees

According to a recent post by Dr. Peter Rost on Question Authority Blog, a notorious Astrazeneca internal newsletter reported that Dr. Stephen Freedland—a faculty member of the Duke University School of Medicine—was number one among the "Top 3" Casodex (a prostate cancer drug) speakers in 2006, speaking 68 times on behalf of Astrazeneca. Number 2 spoke only 21 times! Freedland is set to best that record in 2007, having "moderated 21 programs" at the time of publication of the newsletter.

Rost calculates that at "top dollar" (about \$3,000 per engagement, not counting travel expenses), Dr. Freedland earned as much as \$270,000 during the '06-'07 time period in question, or at least \$204,000 per year!

Rost says he's "not implying there's anything wrong with any of this, that's something others are more qualified to do . . . I'm just showing you how the system works."

It appears that a lunch is not just a lunch, but, in some cases, it's like "recess" at school or a "godsend."

This really puts into perspective the true value of a "free" lunch, which may be many times the monetary value. How can you place a value on a "godsend?" It's priceless!

From that perspective, it's more likely than ever that free lunches may unduly influence physicians, regardless of the debatable contention that dozens of these lunches have not influenced the particular physician who made the above comments.

It's Access, Stupid!

While the value of a free lunch—monetary or otherwise—may be miniscule per physician, in toto drug companies may be spending up to \$1.65 billion per year on lunches to physicians and the number of details with accompanying lunches have increased dramatically since PhRMA initiated its guidelines for gifts to physicians (see [Free Lunch Redux](#) and Figure 1, below).

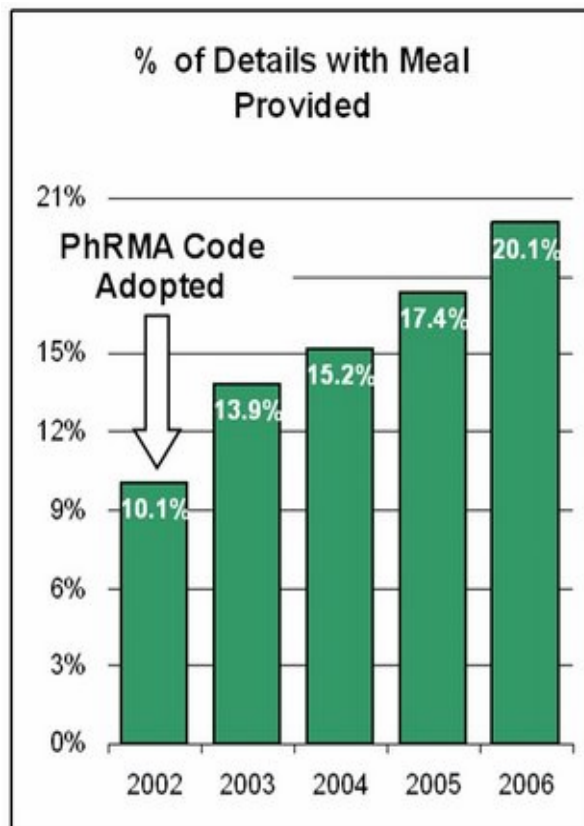


Figure 1: Percent Details with Meal Provided. Based on data from ImpactRx PCP network database.

It is apparent that drug companies think free lunches are important—not that the lunches themselves influence docs, but lunches, gifts, and attractive sales reps all "soften the beaches" allowing access to docs by reps who then can influence the docs.

So, no, free lunches are not evil, but they are increasingly being used as a tool for reps to see docs who otherwise claim they are too busy to see reps.

In my opinion, docs should be more motivated to open their doors by the information reps bring them than by the lunches. Perhaps the information is not as enticing as the pizza! Which is shame on the drug industry!

I am not in favor of legislation against free lunch or gifts to physicians. I do believe, however, that there should be more transparency about the gifts that docs receive from pharma. Physicians, for example, should give patients access to their "pharma gift acceptance policies" like they do with their privacy policies.

If pharmaceutical companies can't stop giving physicians free lunches, then perhaps they should serve healthy lunches instead of pizza and cupcakes. What kind of message does that menu send, especially to patients who see the food being rolled by them in the waiting room?

Dumb Blonde Reps vs. Slovenly Genius Reps

Speaking about gaining access to physicians as an important part of the sales process, Café Pharma ran a poll recently that asked "Which type of rep gets the best results?" Two of the choices were:

1. An average looking rep that knows their products and can sell?
2. A super attractive rep that is an idiot and can't sell?

Only 16% of respondents chose answer #1.

Unfortunately, this survey can't possibly yield any meaningful insights.

To sell (ie, "do better" or "get best results"), you first have to get in the door. So, a better question would have been: Do attractive reps get better access to physicians than do slovenly, but knowledgeable, enthusiastic piglets?

I think a lot more than 16% would answer "Yes" to that! (see Figure 2, next page)

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Good looks and pizza are very visible attributes, in plain sight. You see the cleavage, you open the door. You see the pizza, you open the door. It's Pavlovian!

Product knowledge and enthusiasm, on the other hand, are invisible. How does the doc (receptionist actually) know if the rep is knowledgeable about products? Only if the doc/receptionist lets him/her in the door and let's the rep speak.

But you can't get in the door without the cleavage or without the pizza!

For the knowledgeable Yossarian reps out there, It's a Catch 22!

To sum up, if reader opinion polls mean anything, pharmaceutical companies should stop giving physicians free lunches and they should make public the consulting fees they pay to docs.

Pharma Marketing News

Two drug reps show up at the doctor's office...
Which one gets in?

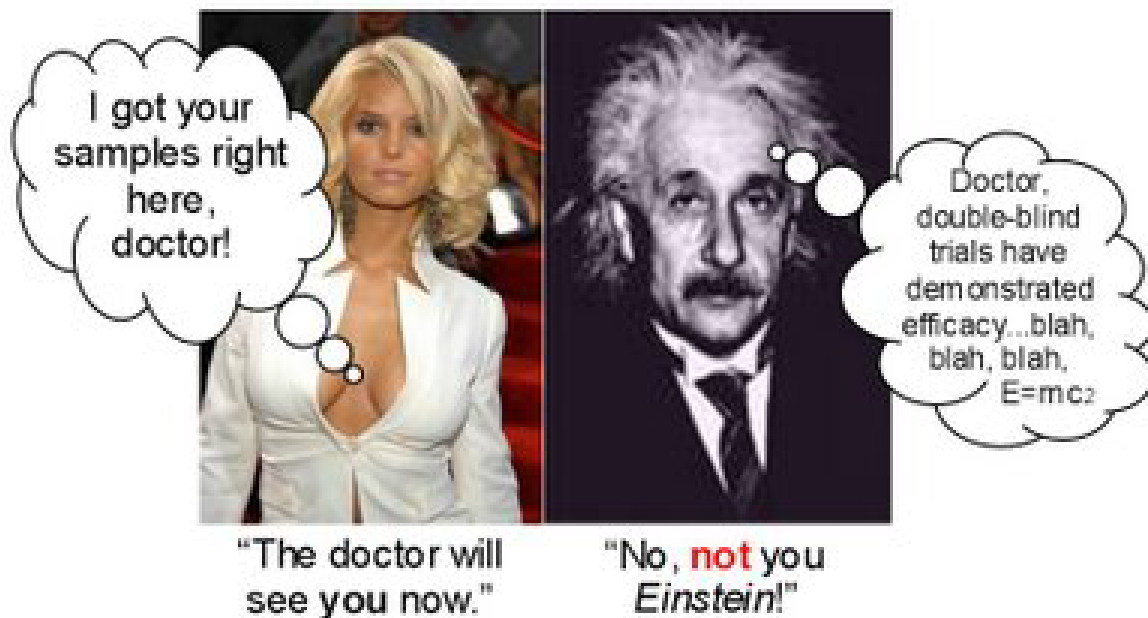


Figure 2: A Not-So-Hypothetical Situation

Pharma Marketing News

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