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Two States Restrict Firms' Gifts to Doctors

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No more free lunch for some New England doctors -- at least not from drug companies.

Under laws taking effect Wednesday in Massachusetts and Vermont, pharmaceutical companies and medical-device makers will be banned from giving doctors such gifts as resort trips or even coffee mugs.

As for offering free meals, Vermont bans the practice; Massachusetts greatly curtails it.

The laws grew out of a movement to more tightly regulate financial relationships between companies and physicians. They follow several scandals in which drug companies were accused of inducing doctors to prescribe their products.

Massachusetts and Vermont will have the most restrictive laws, and follow a longstanding partial gift ban in Minnesota. Legislatures in Oregon, Texas, Connecticut, Colorado, Illinois and Maryland have been debating whether to impose similar bans, or to require public disclosure of such gifts.

"There is a genuine recognition within the medical profession that the financial entanglements with industry have become problematic," said Allan Coukell, director of the Pew Prescription Project, a nonprofit advocacy group pushing for tighter regulation.

Officials at some medical companies worry the new laws will hinder the flow of information to physicians, especially in Massachusetts, home to opinion-shaping physicians at Harvard Medical School and prominent teaching hospitals. Some physicians such as Thomas Stossel, a Harvard hematologist and organizer of a group opposing the restrictions, oppose the new state laws. He said financial relationships between doctors and industry aren't inherently bad.

In February, the Justice Department charged Forest Laboratories Inc. with inducing physicians to use its drugs by picking up the tab for expensive meals and entertainment. The company, which declined to comment Tuesday, has taken a \$170 million reserve for a possible settlement.

Medtronic Inc. agreed in 2006 to pay the government \$40 million to settle allegations it paid doctors to get them to use its spine products, including with trips to resorts. Medtronic has denied any wrongdoing.

In one of the biggest cases, a unit of Pfizer Inc. pleaded guilty in 2004 to a criminal charge and agreed to pay \$430 million related to the marketing of its drug Neurontin. That case stemmed from a complaint by a former employee who claimed the unit persuaded doctors to prescribe the drug by giving them tickets to the Olympics, and trips to Disney World and golf resorts.

Gift bans also are in place at Stanford University's medical school, Ohio State University and the University of Pennsylvania.

The Vermont law bans pharmaceutical- and medical-device manufacturers from giving anything of value to health-care providers, such as food and entertainment. The Massachusetts law also generally bans free meals for health-care practitioners, but there are some exceptions.

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