

# Lilly backs transparency on M.D. perks

## Drug maker, Zimmer at forefront on federal plan to require disclosure

By Maureen Groppe / Star Washington Bureau

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WASHINGTON -- Eli Lilly and Co. on Tuesday became the first drug maker to support a federal proposal requiring drug and medical device makers to disclose payments, gifts, honoraria and travel reimbursements given to doctors.

Meanwhile, Warsaw, Ind.-based Zimmer Holdings, a leader in the medical device industry, also has joined in support of such a measure. Lilly officials say a national disclosure registry is needed to restore public confidence in the relationship between doctors and the industry.

"We believe that being transparent is one way to help re-establish that trust," said Dr. Jack Harris, vice president of Lilly's U.S. Medical Division.

A study published last year by the New England Journal of Medicine found that more than three-quarters of doctors surveyed had taken free samples, food or tickets to sporting events from the drug industry. More than one-third had accepted free continuing education, and another third had been paid speaking or consulting fees or for enrolling patients in clinical trials.

The Justice Department in 2007 reached settlement agreements with the nation's top five orthopedic device makers -- three of which are based in Warsaw -- after investigating whether the companies paid doctors to favor their products.

The companies admitted no wrongdoing when agreeing to pay the \$310 million in fines.

But at least one, Zimmer, now backs the disclosure proposal.

"With hindsight it now appears that as industry expanded to meet patient needs, the use of consultants may have been excessive at times," Chad Phipps, senior vice president, general counsel and secretary for Zimmer, told a congressional panel in February. "Such excess has fostered a degree of mistrust and invited the understandable scrutiny of the government and other stakeholders."

Sen. Chuck Grassley, R-Iowa, and Sen. Herb Kohl, D-Wis., authors of the bill introduced last fall to create a national registry of physician payments, said Lilly's backing will build support for the bill.

"Eli Lilly's endorsement goes to show that transparency of the financial ties between doctors and drug makers is not only sensible, but doable," Kohl said.

The bill would require drug and medical device makers to report anything given to a physician when the total value exceeds \$500. That would not include product samples, certain educational materials, certain direct training and equipment loans.

Beginning in 2011, companies could be fined from \$1,000 to \$250,000 annually for failing to report payments.

Mike Bigelow, assistant general counsel for Lilly, said the company worked with Grassley on changes to the bill that made it more workable, including a later starting date and having it pre-empt state laws.

"It's obvious this is something in which the public has a lot of interest right now," Bigelow said. "Rather than ultimately having sort of a patchwork quilt of differing state regulations . . . just for expediency and efficiency purposes, to have a federal bill that sets a uniform standard would be a better way to proceed."

Four states and the District of Columbia have passed laws requiring some type of physician payment disclosure by drug companies, but not by medical device makers.

Dr. Peter Lurie, deputy director of Public Citizen's Health Research Group, told Congress last year there are other flaws with the state laws, including public access to the data.

"What we really need is a national law," Lurie told the Senate Special Committee on Aging, which Kohl heads. "Patients are the victims of all of this."

Robert Restuccia, executive director of the Prescription Project, which is working with consumer groups and others to pass the national legislation, said Tuesday that there is a strong sentiment in Congress that the issue needs to be addressed and pharmaceutical companies like Lilly are waking up to the concerns of lawmakers and the public.

Industry officials, including those at Lilly, say there are legitimate reasons for many of the payments. Harris said doctors who are experts in specific areas are hired as consultants during various stages of drug development. Doctors also are paid for enrolling and caring for patients in clinical trials or to speak at medical conferences about new treatments.

But Lilly says disclosure of those fees will give the public confidence that the relationship between doctors and drug makers is aboveboard.

Lilly also was the first drug company to voluntarily post clinical trial data on its Web site and the first to disclose its educational grants and charitable contributions.

The Pharmaceutical Research and Manufacturers Association, the industry's trade group, has not taken a position on Grassley and Kohl's legislation, according to senior vice president Ken Johnson.

He said in a statement that any new reporting requirements "should not chill physician involvement in research" and should be "provided with adequate context that does not inadvertently imply that these interactions are inappropriate."

The American Medical Association told Kohl's committee last year that it is "monitoring the situation" and hadn't decided whether to support a national registry.