



September 12, 2007

Fact Sheet

S.2029: The Physician Payments Sunshine Act

The Prescription Project promotes evidence-based prescribing and works to eliminate conflicts of interest in medicine due to pharmaceutical marketing to physicians.

It is promoting policy change by working with

- *State and Federal Policymakers*
- *Academic Medical Centers*
- *Professional Medical Societies*
- *Private Payers*

Created with The Pew Charitable Trusts, the Project is led by Community Catalyst in partnership with the Institute on Medicine as a Profession.

The Physician Payments Sunshine Act (S.2029) would require drug and medical device manufacturers with more than \$100 million in annual revenue to report all gifts over the amount of \$25 given to physicians, clinicians, and other prescribers, which would be registered in a national and publicly accessible online database. A penalty of at least \$10,000 would be assigned to companies that fail to disclose.

Sponsors: Mr. Grassley (R-IA); Mr. Kohl (D-WI); Mrs. McCaskill (D-MO); Mrs. Klobuchar (D-MN); Mr. Kennedy (D-MA); Mr. Schumer (D-NY).

Introduced: Sept. 7, 2007

Who would have to report?

S.2029 would apply to all companies and their intermediaries with more than \$100m in annual revenue that make, develop, label, or market drugs, devices, or medical supplies covered under Medicare, Medicaid, or SCHIP.

How often?

Under S.2029, eligible drug and device makers would be required to file gift disclosures every fiscal quarter, effective Jan. 1, 2008. Companies would also be required to file annual summary reports with Congress.

What sort of payments count?

S.2029 would require disclosure of payments to physicians including compensation; food, entertainment or gifts; trips or travel; a product or other item provided for less than market value; participation in conferences or continuing medical education; rebates or discounts; consulting fees or honoraria; and any other economic benefit as described by the secretary.

Are there types of payment that are exempt?

S.2029 would exempt the disclosure of prescription drug and device samples, as well as payment for clinical trials.

How specific would disclosures be?

Reporting companies would be required to report the receiving physician's name, address, facility affiliation, if any, and the date and nature of the payment using standardized codes for the payment types listed above.

Where would reports be published?

S.2029 provides for the public availability of physician payment disclosures, which would be "readily accessible to the public through an internet website that is easily searchable, downloadable, and understandable."

How would disclosure be enforced?

Under S.2029, noncompliance would result in a fine between \$10,000 and \$100,000 for each physician payment not disclosed.

Would the Physicians Payment Sunshine Act affect existing state laws?

If passed in its current form, S.2029 would not affect existing state laws on pharmaceutical gifts disclosure.