



Victoria's Health Consumer Organisation

**MEDICINES AUSTRALIA**

**TRANSPARENCY MODEL:  
CONSULTATION AND DISCUSSION PAPER**

**Health Issues Centre Submission**

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## Executive Summary

Health Issues Centre applauds Medicines Australia's commitment to developing a model for increasing transparency about payments and transfers of value between companies and healthcare professionals.

Health Issues Centre aims to represent the voice of consumers in health issues across Victoria. The organisation promotes improvements to the healthcare system from the perspectives of consumers, with an emphasis on equity, as well as promoting and providing expertise on consumer participation in health and patient centred care.

It is through this health consumer-focused lens that we are responding to this consultation and discussion paper by Medicines Australia on the proposed Transparency Model. Our submission focuses very heavily on the impact of this model for consumers and the particular concerns that consumers have about payments and transfers of value between companies and healthcare professionals.

Our understanding of the background to this paper is that in asking Medicines Australia to consider further transparency measures, the ACCC (Australian Competition and Consumer Commission) was particularly concerned about the impact that transfers of value could be having on the health consumer's right to the best possible quality of healthcare. It is the responsibility of the ACCC to consider consumer's rights and protection and, thus, we believe that in responding to the ACCC's request, the Transparency Model should view these issues firstly from the perspective of the consumer and their rights.

We have not attempted to answer all of the questions raised in the paper, but we have addressed those that we believe are most pertinent to consumers.

The most important of these are captured in the following themes:

- 1. Potential to influence:** From a consumer perspective, we believe that the most important question that must be asked when determining the specific dollar amounts, types of transfers of value and reporting requirements is the potential of the transfer of value to influence the behaviour of the healthcare professional. It is most helpful to focus on the concept of overall influence for questions of transparency. This particularly relates to reporting thresholds.
- 2. Organisation who 'houses' the data must be seen to be independent:** We acknowledge the importance and challenge of the decision about where the data is kept, but believe that for this code to be respected, it must be seen to be independent by consumers. It needs to also be easily expanded to incorporate other member bodies as they adopt similar codes.
- 3. Importance of reporting benefits:** The general aim of the Transparency Model must be to make certain that all benefits received by healthcare professionals from companies are reported. With regards to the issue of third-party payments or gifts, we believe that if a gift is given in the health professional's name there is a benefit there and it should be captured (reported).

## General requirements and limitations

The question of who would receive the reports of payments and transfers of value was raised in the paper. The options given were: Medicines Australia, a third party organisation such as AHPRA or the establishment of a separate foundation to manage the reports.

Health Issues Centre believes that the best of these options would be an organisation such as AHPRA. We see the following advantages of AHPRA:

- They are a known, identifiable organisation which is already trusted with the accreditation of the nation's healthcare professionals. Consumers would be likely to trust AHPRA with this role.
- If, as we believe is likely, other 'like' organisations are also required to develop a transparency code, the information could be centrally held by AHPRA (rather than if, for example, it was held by Medicines Australia). It is absolutely essential that all reporting information about transfers of value is kept in one central place to facilitate access by consumers, given that this transparency is the aim of the process.
- They have the database capacity and established connection with healthcare professionals.

One potential disadvantage of this option is that it effectively focuses on the behaviour of the healthcare professional rather than the company. From our perspective, we do not see this as problematic; the consumer generally is concerned about transparency in relation to their own healthcare professional(s) and any undue influences upon them. Most are not pursuing this information in order to understand a specific company's behaviour.

Regardless of which option is chosen, Health Issues Centre believes that the chosen organisation must be easily identifiable and the data easily accessible for consumers. It also must be seen as being completely independent and trustworthy from the perspective of consumers and the general public. As a member organisation, representing pharmaceutical companies, Medicines Australia would not be viewed by most members of the public as independent in the context of transfers of value between pharmaceutical companies and healthcare professionals.

## Identifiers for healthcare professionals (3.3)

The paper notes that a unique identifier is required for all healthcare professional in the context of the Transparency Model. One suggested option is to use the AHPRA registration number. Health Issues Centre believes that this is the most obvious choice for an identifier and that its choice would support the notion (discussed above) of AHPRA being the obvious home for the reported information.

The biggest concern for consumers with the identifier is that it be distinct so that there is no room for one healthcare professional to register under multiple identifiers, thus preventing accurate aggregation of the transfers of value they receive. Apart from this, we support the simplest and most cost-effective identifier as we recognise that the system must be straight-forward and efficient if healthcare professionals are going to support the implementation of the Transparency Model.

### Category of payment or transfer of value (3.7)

The only comments Health Issues Centre would add to the question of categorisation would be to recommend that there be consideration of including a purpose for the payment. For example, is it sufficient to note that a company paid \$6700 for flights and accommodation to a healthcare professional without stating the **purpose** of that trip? Without wanting to overcomplicate the system, we cannot ignore that the main aim of the Transparency Model is for consumers to understate the nature of the relationships between their healthcare professionals and health-related companies. There are a number of categories listed in the Transparency Model where we believe the disclosure of purpose would be helpful information for consumers in understanding those relationships and the potential for influence.

### Payments to third parties, including registered charities (3.8)

Health Issues Centre appreciates the focus of attention on the issue of third party gifts or payments as we believe there is sufficient potential for this to be used as a means of avoiding transparency.

We would broadly agree with the Transparency Model in 3.8.3. We would, however, qualify this by stating that ANY payment given to a third party organisation or a registered charity by a company (regardless of whether or not this was requested by the healthcare professional) should be reported **if it is made in the healthcare professional's name**. Whenever there is a transfer of value that is made in the healthcare professional's name, there is potential for that person to benefit from it (either through tax deductions, power as a large donor or public approval). Obviously, the company would need to declare to the healthcare professional that the gift would be given and reported.

We believe that whenever there is potential benefit (and, thus, influence), there should be reporting. If a donation is given by a company, in lieu of payment, and is made in the company's name, we believe there is no need for reporting.

### Requirements for payments or other transfers of value related to continuing professional development programs (4)

In general, Health Issues Centre is in broad agreement with this provision. The main caveat we would apply would be that, as the Transparency Model currently suggests, this exception would no longer apply if the company has any role in selecting the speakers or attendees at the event. This exception is only appropriate in the context where the company is supporting a generic program (such as a hospital's Grand Rounds) where the possible attendees cannot be anticipated nor the topics determined by the company.

## Reporting threshold (5)

From a consumer perspective, Health Issues Centre appreciates the importance of the decision about an appropriate reporting threshold. Our response here is strongly based on the idea of 'potential to influence'. We acknowledge the potential challenge of reporting small payments or transfers of value below \$25. However, we agree with concerns of some of the members of the Transparency Working Group about the potential to influence through repetition of small transfers of value which would 'slip under the radar', such as providing regular lunches to one medical practice. Although of small value, we are concerned that a repeated action such as this would be likely to influence the practice. Thus, we agree with the recording of payments or transfers of value of \$10 or more and a reporting of \$100 or more.

In addition, we believe that function costs (non-hospitality and non-travel costs) should be distributed amongst the attendees at a meeting or function and, thus, included in the reported information. From a consumer perspective, it is nonsensical to report some costs (such as accommodation and catering) but not others (AV costs and room hire). When other professionals (non-healthcare related) attend functions, they are charged for all the associated costs of an event; none of it is just written off by the organisation that is holding the event. We also believe that the potential for cost-shifting (from catering to room hire, for example) would be high. We do not believe that accounting for all costs will prove any more difficult than accounting for some of them. We recommend that the costs are split over the number of 'expected' attendees, though only those who actually attend the event would be reported for that cost.

With regards to changing the threshold each year in line with the CPI, we agree that there is a need for a regular updating of the amounts. Whether it is every year or every few years, we do not hold a strong view and would accept whatever the company's feel is manageable (up to every three years).

## Starter packs

The question of starter packs is one that we find something of a grey area. The risk, of course, of required reporting is that some healthcare professionals will then refuse to accept starter packs and the consumer will miss out on this benefit. Health Issues Centre views that while the benefits of starter packs accrue to the consumer, the bigger potential problem with these is the influencing of prescribing patterns. Given the concern among consumers about influence, overall we would endorse the reporting of starter packs (clearly labelled in the data as 'starter packs').

## Payments for expert witness in legal administrative proceedings

The Transparency Model currently excludes payments to healthcare professionals who are acting as expert witnesses on behalf of companies. Health Issues Centre believes that it is appropriate for healthcare professionals to be paid in their capacity as expert witnesses (as are other professionals in other fields) and, thus, it is not a reportable payment or transfer of value, but is a distinct commercial arrangement.

## Data disputes (7.4)

While Health Issues Centre recognises the concerns of healthcare professionals that disputed data is published (suggesting, for example, that they attended an event which they did not actually attend), we have significant concerns about the potential for data to not be published in a timely manner. We fear that a precedent might be set for not (ever) reporting disputed data and suggest that instead the data be published as 'under dispute' or some such name. This would encourage the healthcare professional to see that the dispute is resolved. The other alternative might be to penalise the company for data which is still unpublished more than one month after its due date.

## Updating the information

Five years seems a reasonable period of time for removing of historical data. What is most important for the consumer is the current level of payments or transfers of value from companies to the healthcare professional.