



20<sup>th</sup> September 2013



Secretary of Code of Conduct Committee  
Medicines Australia  
16 Napier Close  
Deakin  
ACT 2600

Dear Sophie,

**RE: Call for Submissions to the Medicines Australia Code of Conduct Review**

Lundbeck would like to thank you for the opportunity to comment on the current review into the transparency of payments to healthcare professionals.

Lundbeck recommends that the Review Committee take the following points into consideration during its deliberations:

Lundbeck believes that it is preferable that all data that is collected from individual healthcare professionals is managed by an independent body.

Lundbeck requests more clarity and guidance on the category of payments. It is important that the proposed categories are very well defined. For examples categories such as "Consulting Fee" and "Honorarium", are very similar and a clear distinction should be made to avoid confusion.

Lundbeck is concerned that the "Charitable contribution" category as it is currently defined (where when a healthcare professional elects to have his or her fee paid to a charity, which the company chooses) should be amended because it is not acceptable, nor in the spirit of the Code that the pharmaceutical company should make this decision. Lundbeck believes that a healthcare professional should be permitted to nominate an appropriate charity of their choice, and that the amount donated should not be included in the reporting of costs attributed to individual healthcare professionals.

In terms of reporting thresholds, Lundbeck favours neither of the proposed options and recommends a reporting threshold of \$1000. Lundbeck supports the concept of increased transparency but believes that the suggested thresholds of either \$10 or \$25 are too low. Reporting based on these values would not only be expensive to implement, but would result in unwieldy and impractical reports that would be exploited by critics of the industry and would not benefit consumers at all. Furthermore Lundbeck believes that where the threshold of \$1000 has been breached, only the activities that the healthcare professional attended should be reported, and not the dollar amount.

The issue of non-hospitality costs being allocated to healthcare physicians is considered by Lundbeck to not be equitable because these costs vary greatly from state to state as well as between rural and urban areas. As a result, costs allocated to healthcare physicians will be unfairly inflated merely as a result of where they reside and attend meetings.

Lundbeck submits that the provision of starter packs to healthcare professionals should not be included as a transfer of value. Starter packs are particularly helpful in the domain of mental illness where often it is not possible for a physician to predict what medication a patient will respond to. Starter packs are thus a cost effective way for the physician to assess efficacy and tolerability without imposing an economic burden on the patient. If healthcare professionals decide not to accept starter packs because it is felt that these might inflate the value of payments that they have received from companies, this will have a very negative impact on patients, and increase the cost burden for the PBS.

Lundbeck is of the view that the proposed timelines for the implementation of the changes to the Code as a result of the transparency review are not practical. There will not be sufficient time between the ACCC's expected approval date for the new Code and the implementation date. This will necessitate Lundbeck (and other companies) investing in modifications to current systems in order to comply with "proposed" Code reporting guidelines, at the risk of the ACCC requiring changes, which would jeopardise both the investments made and Lundbeck's ability to be ready to implement on 1<sup>st</sup> January 2015. Lundbeck proposes a six month window from ACCC approval date until implementation date in order to make the necessary investments and modifications prior to implementation, i.e. an implementation date of 1<sup>st</sup> July 2015.

Lundbeck believes that the onus for checking that the data contained in reports is accurate should be on the individual healthcare professionals and that these should be checked during the period of 1<sup>st</sup> March until 15<sup>th</sup> April of each year, prior to the reports being made public.

Whilst Lundbeck believes that this has already been discussed in early consultation, it is important that the impact of these reporting requirements on the ongoing training of healthcare physicians is taken into consideration. Currently the industry provides much support in the area of the Continuing Professional Development of physicians. In the event that healthcare professionals withdraw from ongoing activities that are provided by the Pharmaceutical industry, there should be consultation with government or the various Colleges on how the provision of ongoing training will be managed in future.

Yours sincerely

A handwritten signature in black ink, appearing to be "Lorena Di Carlo".

Lorena Di Carlo  
Managing Director  
Lundbeck Australia and New Zealand