



160 St. Ronan Street, New Haven, CT 06511-2390 (203) 865-0587 FAX (203) 865-4997

Connecticut State Medical Society Testimony
Senate Bill 1049 An Act Prohibiting Certain Gifts from Pharmaceutical and Medical Device Companies to Health Care Providers

Senator Harris, Representative Ritter and members of the Public Health Committee, Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee, Senator Doyle and Representative Walker and members of the Human Services Committee, my name is Matthew Katz, Executive Vice President of the Connecticut State Medical Society (CSMS). On behalf of our more than 7,000 members thank you for the opportunity to testify before you today on Senate Bill 1049 An Act Prohibiting Certain Gifts from Pharmaceutical and Medical Device Companies to Health Care Providers.

Though CSMS supports the concepts introduced in this bill, we must raise some concerns regarding the language, its associate approach to reform and some potential impacts it may have.

CSMS and its members adhere to the AMA Code of Medical Ethics. Within this code, 8.061 Gifts to Physicians from Industry, provides ethical guidance to physicians associated with gifts and related items and we believe they should be the standards of conduct for the medical profession.

CSMS believes that ultimately, it is the responsibility of each and every physician to minimize any perceived or actual conflicts of interest that may be at odds with the best interest of patients and patient care.

The ethical guidance that we believe physicians should adhere to includes the following guidelines:

- Any gifts accepted by physicians should primarily entail a benefit to patients and should not be of substantial value.
- Individual gifts of minimal value are permissible as long as the gifts are related to the physicians work.
- The AMA Council on Ethical and Judicial Affairs defines a legitimate conference or meeting as any activity, held at an appropriate location, where a gathering is primarily dedicated, in both time and effort, to promoting the objectives scientific and educational activities and discourse and the main incentive for bringing attendees together is to further their knowledge being presented. An appropriate disclosure of financial support or conflict of interest should be made.
- Subsidies to underwrite the costs of continuing medical education conferences or professional meetings can contribute to improvement of patient care and therefore are permissible.

- Subsidies from industry should not be accepted directly or indirectly to pay for the costs of travel, lodging or other personal expenses of physicians attending the conferences or meetings, nor should subsidies be accepted to compensate for the physician's time. It is appropriate for faculty to accept reasonable honoraria and to accept reimbursement for reasonable travel, lodging and meal expenses. It is also acceptable for consultants to accept reasonable compensation and reimbursement for travel.
- Scholarships or other specific funds to permit medical students, residents, and fellows to attend carefully selected conferences may be permissible as long as the selection of students, residents, or fellows who will receive the funds is made by the academic institution.
- No gifts should be accepted if there are strings attached.

CSMS believes that these ethical standards are well developed, well regarded and are adhered to by its members. Furthermore, CSMS is aware of the January release by the Pharmaceutical Research and Manufacturers of America (PhRMA) of its own code of ethics that we believe holds the industry and those who adhere to these standards to a high standard associated with gifts and related contributions or payments to health care professionals.

CSMS is pleased that the legislation does not place a reporting mandate on a physician, especially since a physician are often aware of the cost of specific materials, educational opportunities or associated travel, lodging and services provided associated with conferences, meetings and educational opportunities. In addition, CSMS believes that reporting should not cover: drug samples; items with a value of less than \$50; grants for research; or scholarships for medical students, resident, and fellows; and expenses associated with a clinical trial.

CSMS further believes that physicians, if asked to provide information in any reporting structure, must receive notice prior to receipt of gift with a monetary value that is subject to disclosure and public reporting. In addition, physicians should have the ability to review any information prior to posting for public disclosure. Also, a pre-public disclosure appeals process should be implemented to afford physicians and other health care professionals the opportunity to challenge false or inaccurate reporting and disclosures either by the industry or the state.

I have attached not only the ethical opinion to my testimony, but also a clarification document that includes many commonly asked questions and how these guidelines relate. We ask that the Committee recognize that physicians, at least in Connecticut, do a superb job in adhering to well thought out and well constructed guidelines and further recognize that decisions that are made associated with this piece of legislation could have some profound and potentially negative impact on the cost of medical care associated with additional administrative burdens placed on already overburdened physicians, as well as the availability of samples that are critically needed for a large segment of the underinsured and uninsured population.

We understand the importance of this legislation before you to further efforts to promote transparency in every aspect of the healthcare system, most in particular, those costs that are not directly related to the provision of health care service. For that reason we look forward to working with these committees to develop the best possible legislation for the state of Connecticut.