Even a $20 meal can lead to a big pharma payoff

By David Levine | January 17, 2017

Why are healthcare costs rising so rapidly? One piece of the complex puzzle is prescription drugs — and the web of incentives, marketing messages, and regulatory gaps that surround them.

That was the subject of a study in JAMA Internal Medicine last summer, which drew so much anger that its principal author got hate mail. It suggested that as little as one free meal, costing less than $20, from a drug company representative can influence which medicines doctors prescribe — even if the drugs in question are demonstrably no better than less-expensive generics.

The study was conducted by a team at the Center for Healthcare Value at the University of California, San Francisco's Philip R. Lee Institute for Health Policy Studies. Using Medicare records and data from Centers for Medicare and Medicaid Service's Open Payments program — a provision of the Affordable Care Act — researchers evaluated 279,669 physicians who received payments associated with brand-name drugs from four target drug classifications: statins, beta-blockers, ACE inhibitors, and SSRI/SNRIs.

Ninety-five percent of payments were for meals, at an average cost of less than $20 apiece.

Within each of the four classes of drugs, researchers found, doctors who received just one industry-sponsored meal were up to twice as likely to prescribe the promoted brand-name drugs as physicians who received no meals. Doctors who received multiple meals were up to three times as likely to prescribe the brand-name drugs.

athenaInsight spoke to principal author R. Adams Dudley, M.D., director of the Center for Healthcare Value, about the study and the firestorm it started.

Q You've gotten hate mail in response to this report?

A Yes. I get hate mail from doctors saying, "How dare you say I can be bought." I am not saying that at all.

Q What are you saying, then?

A For doctors to argue they are not human is implausible to me. When I was medical student, resident and fellow, at Duke, Harvard, and UCSF, we were accepting gifts from drug reps back then, and I did notice I felt some sense that I

owed them if they came in with a plate of food. In my mind I told myself it won't affect what I really do, but you don't just wander into a party, take food and leave, right? You feel like you've snubbed someone. And the drug companies wouldn't do this if wasn't in their commercial interest.

Q What were your goals for this study?

A A lot of doctors prescribe brand-name drugs when equally good generics are available. This costs the U.S. about $75 billion — with a "b" — a year. Patients pay about a third of that, so that comes to about $25 billion — with a "b" — a year. We wanted to understand how this comes to be. One potential explanation is, we don't have a great system to educate doctors in this country about new drugs. There is no formal mechanism, after you are out of residency, in which someone makes sure doctors know about new drugs. So drug companies have stepped into this breach, but the end result is a lot of unnecessary expense. We looked at drugs that the U.S. Department of Veterans Affairs has said do not provide any added benefit. We feel we took away the education argument. To me, the most likely hypothesis is that giving people food creates a sense of reciprocity — or brings the drug to mind in a way that is more powerful than the evidence suggests it should be. The result is enormous extra expense for patients and the country as a whole.

Q A spokesperson for the Pharmaceutical Research and Manufacturers of America said your study "cherry-picks physician prescribing data for a subset of medicines to advance a false narrative." How do you respond?

A I absolutely cherry-picked, for the reasons I told you. If these were new drugs with a potential big impact, we would want people out there telling us about them. But I wanted to isolate the effect of the gift itself on behavior, when there was no justification for changing behavior. And I have a hard time finding a hypothesis describing what is going on that makes me glad it is happening. The current system appears to be creating problems with appropriate prescribing.

Q What can doctors do about this, beyond sending you hate mail?

A At the moment, doctors should recognize there is no plausible explanation for this except that we are humans. If the drug reps waved $20 bills around to write more prescriptions, doctors would be rightly offended. But if they give gifts to you or your staff, it seems very likely it would have an impact on prescribing behavior. So we should not let drug companies into our practices.

Q What can be done on the macro level?

A The drug companies do have a decent argument in that we don't have any official way of ensuring doctors know about new drugs. If we are spending $75 billion extra, should some of that money create a system to educate doctors without leading to inappropriate prescribing? Imagine putting the FDA in charge of not just approving the drug, but also saying, here is evidence and why we approve it. That then becomes the educational material for doctors. Alternatively, Medicare could take some of the money it would save and put that into grants for specialty societies to create unbiased educational materials. All that would cost far less than $75 billion

Q How hopeful are you that any of this could happen?

A I am now in the process of trying to generate a policy response. If CMS or the FDA offered societies a small amount to do this, I think they would be thrilled to do it. This is a perfect role for them to play. But CMS or FDA might say they need legislative authority do that, and then one would be facing an army of lobbyists from the pharmaceutical side fighting new legislation. And they have $75 billion a year in extra profits to prevent that from happening. This is entirely a voluntary policy failure — one we could fix easily, at low cost and very quickly. It would

not be very hard to get both the FDA and the specialty societies, who are already doing the activities to approve drugs and add them to their guidelines, to then turn that information into an educational talk. That very small change would almost certainly save the country tens of billions of dollars.

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This interview has been edited and condensed.