

Pharmaceutical companies: An \$84 million marketing effort in the District of Columbia

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Drug companies spent nearly \$84 million marketing pharmaceuticals in the District of Columbia in 2011, including an outlay of nearly \$19 million for gifts given to physicians, hospitals and other health care providers, according to a report by researchers at the George Washington University School of Public Health and Health Services (SPHHS). The report notes that 12 physicians in the District received gifts (including consulting payments) that totaled more than \$100,000 apiece that one year alone.

"There is nothing inherently wrong with such [gifts](#)," said Susan F. Wood, PhD, lead researcher and an associate professor of [health policy](#) and of environmental and occupational health at SPHHS. "However, this report draws attention to the amount being spent on marketing drugs and raises questions about whether some heavily marketed drugs may be prescribed more extensively than is appropriate."

The report fulfills the requirement of a 2004 law in the District of Columbia that requires all [pharmaceutical companies](#) to file annual reports describing their prescription-drug marketing activities in the District. The AccessRx Act also requires analysis of these reports to determine how [pharmaceutical marketing](#) may affect [healthcare services](#) in the District.

In fact, a previous study by Wood and her colleagues showed that drug companies making [antipsychotic drugs](#) gave a disproportionate amount of gifts and payments to District [psychiatrists](#) who treat [Medicaid](#)

[patients](#). Close ties between the drug companies and psychiatrists might have led to inappropriate prescribing for Medicaid patients, and particularly for children, according to D.C. Council Member David Catania, who held a hearing on the issue last November.

"[Antipsychotics](#) are often prescribed to children who are not in fact psychotic but have behavioral problems," said Adriane Fugh-Berman, MD, a co-author on both reports and an associate professor of pharmacology and physiology at Georgetown University Medical Center. "These powerful drugs also act as sedatives and might lead to less disruptive behavior, but at what cost?" Antipsychotics are also associated with health problems including obesity and Type II diabetes, she said.

The current report doesn't single out specific drugs or name any doctors or other providers but it does give an overview of the money that drug companies spent on marketing their products in the District. The report notes that drug companies spent a total of \$83.7 million for advertising, gifts and aggregate expenses in 2011—slightly less than 2010. Still, the report found that a small number of companies—23 out of 158—reported marketing expenditures of more than \$1 million apiece. "That is an astonishing amount of money being spent on marketing prescription drugs in the District," said Wood.

The report also found that 22 percent of total marketing expenditures, or \$18.9 million, went to "gifts"—a category that included grants, speaker's fees and food. Drug companies may treat a select group of doctors to dinner and a sales pitch at a local restaurant, as well as provide delivered meals to medical practices, Wood said.

Hospitals, clinics and other organizations received gifts totaling \$9.7 million, and individuals received \$9.2 million. Some nurses and pharmacists received gifts in 2011 but most of the pharmaceutical company largesse, nearly 82 percent went to doctors. Most gifts to

doctors were described by the drug companies as speaking fees and were paid in the form of cash or checks, the report said.

Other findings of the report include:

- Out of nearly 3,400 physicians in the District who received at least one food gift, 444 received ten or more meals from pharmaceutical companies during 2011 and 33 physicians got 52 or more of these food gifts. This finding suggests some physicians are dining with drug reps on a weekly basis.
- The top ten professional organizations (representing health professionals in a specific specialty or demographic group) received a total of \$3.5 million, with half of those gifts valued at \$20,000 or more.
- The top ten Disease-Specific Organizations based in the District received \$2.1 million in gifts such as cash or checks from drug companies. These organizations often represent and advise patients, and the concern is that large gifts could sway such groups to favor or recommend the company's products, the report said.

The report, which was commissioned by the Department of Health (DOH) in the District of Columbia, notes that under the Affordable Care Act pharmaceutical companies will begin publicly reporting gifts to physicians and teaching hospitals in September 2014. At that time, the authors say that the District could publically release the names of all gift recipients, a step that would allow patients to have information about the financial relationship between [drug companies](#) and all of their [health care providers](#).

Provided by George Washington University

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