

HRB Centre for Primary Care Research Research Briefs

Addressing pharmaceutical industry payments to HSE funded healthcare organisations and professionals



Authors: James Larkin¹, Dr. Frank Moriarty², Prof. Tom Fahey¹

¹[HRB Centre for Primary Care](#),
Department of General Practice, RCSI
University of Medicine and Health
Sciences

²[School of Pharmacy and Biomolecular
Sciences](#), RCSI University of Medicine and
Health Sciences

Email: jameslarkin@rcsi.com

Summary

The pharmaceutical industry pay Irish healthcare organisations (HCOs) and healthcare professionals (HCPs) millions of euro each year. These HCOs include public hospitals. The evidence is that receipt of pharmaceutical company payments is associated with higher prescribing rates, higher prescribing costs and lower prescribing quality.¹⁻³ Currently in Ireland there is limited transparency around these payments and the HSE has limited oversight over the payments to HSE funded HCOs and HCPs. Given that the state spends over €2 billion annually on prescription medicines, we believe that governance over these payments should be strengthened.



HRB CENTRE FOR
PRIMARY CARE RESEARCH



RCSI



Queen's University
Belfast

HR^B Health
Research
Board



NUI Galway
OÉ Gaillimh

123 St Stephen's Dublin 2, Ireland

We can be found at:

HRB Centre for Primary Care Research
Department of General Practice
Royal College of Surgeons in Ireland
123 St. Stephen's Green
Dublin 2, Ireland

Addressing pharmaceutical industry payments to HSE funded healthcare organisations and professionals



Context

The Irish state [spent](#) €2.3 billion on pharmaceuticals in 2020, rising from €1.3 billion in 2012.⁴ A Business Post investigation found that many HSE employees receive payments from the pharmaceutical industry.⁵ It is also clear that many organisations that are governed by the HSE receive payments from the pharmaceutical industry. These payments are described as being grants, donations for events, consultancy fees, funding for travel and accommodation, and research and development. These payments have been used in the past to induce prescribing, and there is anecdotal [evidence](#) suggesting that this may be occurring in Ireland.⁶ In the US in 2007, the US Justice department alleged that Merck used payments made to doctors, under the guise of 'training', 'consulting' and 'market research', to induce prescribing.⁷ 'Education' payments are also thought to have been [used by Purdue Pharma](#) to increase prescribing of its opioid OxyContin,⁸ which contributed greatly to the US opioid crisis. In Ireland, there is very limited transparency around these payments and the HSE lack clear oversight of the payments made to HSE HCOs and HCPs.

How transparent are industry payments?

Currently, pharmaceutical industry payments to HCOs and HCPs are reported on the Irish Pharmaceutical Healthcare Association (IPHA) website [transferofvalue.ie](#). There are many issues with this reporting system. Firstly, for the majority of payments, the recipient's identity is not disclosed, only the number and total value of payments are reported.⁹ Secondly, the website excludes medical device companies as well as many companies who are not members of the IPHA.⁹ In some countries the medical device industry have been found to pay more to doctors than the pharmaceutical industry.¹⁰ In a recent peer reviewed study we [published](#) in the journal Health Policy, we documented these issues and found a range of errors and inconsistencies in the data reported on the [transferofvalue.ie](#) website.⁹ This implies that the amount of payments is likely far greater and there is a lot of detail missing on the payments to HCOs and HCPs we do know about (e.g. the drug, device, or medical equipment associated with the payment or what type of HCP is in receipt of the payment).

Do the HSE have clear oversight of industry payments?

In response to an FOI request made to the HSE for information on payments from industry to HSE HCOs and HCPs, it was stated that some hospitals have no records in this area and that the [transferofvalue.ie](#) website should be consulted. This is despite the many issues with the [transferofvalue.ie](#) website we have outlined. Therefore, the HSE lacks clear oversight of payments which may be leading to reduced quality prescribing and increased costs. This is a major governance issue.

Addressing pharmaceutical industry payments to HSE funded healthcare organisations and professionals



Do other countries legislate for this?

Yes, several countries including Belgium, Portugal, France and the United States legislate to ensure transparency around payments from industry to HCOs and HCPs.¹³ This ensures that people receiving payments from industry are not able to hide their identity. It can act to discourage people from receiving payments which is likely to improve the quality and safety of prescribing practice for patients. Lastly, a clear and transparent payment disclosure framework will provide a reliable source of information for the HSE to ensure the organisation and its employees are adhering to best practice.

The US¹⁴ and France¹⁵ provide for sanctions to ensure accurate and timely reporting. Those countries also provide in-depth information on payments, exclude very few payments and allow for audits of payment reports.^{14, 15} In 2017, then TD Billy Kelleher proposed legislation to ensure the identity of payment recipients was transparent.¹⁶ The then Minister for Health Simon Harris, as well as many HCPs, supported this bill.^{17, 18}

What are the consequences of not addressing industry payments?

These payments will likely contribute to even greater increases in state spend on pharmaceuticals.³ More critically it is unclear if some of these payments (e.g. gifts and hospitality) are allowed under Irish Medical Council guidance.¹¹

Lastly, if this issue is not addressed, trust in the health system will be negatively impacted. A [poll](#) of over 12,000 thejournal.ie readers found that 92% (excluding those who were undecided) were opposed to doctors being allowed to take money from pharmaceutical companies.¹² The first step in addressing the issues around these payments is understanding the scale of payments and details of what and who they are for.

Key messages and recommendations

- **Problem:** Publicly funded HCOs and HCPs are receiving payments from industry which can compromise their prescribing practice and increase state spend on pharmaceuticals
- **Recommendation 1:** HSE governance processes for payments from industry to HSE funded HCOs and HCPs need strengthening, including greater transparency as to who receives these payments.
- **Recommendation 2:** Support the introduction of legislation ensuring greater transparency around payments from the pharmaceutical and medical device industry to HCOs and HCPs

References

1. Goupil B, Balusson F, Naudet F, et al. Association between gifts from pharmaceutical companies to French general practitioners and their drug prescribing patterns in 2016: retrospective study using the French Transparency in Healthcare and National Health Data System databases. *BMJ*. 2019;367:l6015. doi:10.1136/bmj.l6015
2. Hartung DM, Johnston K, Cohen DM, Nguyen T, Deodhar A, Bourdette DN. Industry payments to physician specialists who prescribe repository corticotropin. *JAMA network open*. 2018;1(2):e180482-e180482.
3. Brax H, Fadlallah R, Al-Khaled L, et al. Association between physicians' interaction with pharmaceutical companies and their clinical practices: A systematic review and meta-analysis. *PloS one*. 2017;12(4):e0175493. doi:10.1371/journal.pone.0175493
4. Prior S, Scott R, Hennessy M, Walker E. Spending Review 2021 Review of High-Tech Drug Expenditure. Government of Ireland. Accessed 26 November, 2021. <https://igees.gov.ie/wp-content/uploads/2021/10/Review-of-High-Tech-Drug-Expenditure-Spending-Review-2021.pdf>
5. Mitchell S, Horgan-Jones J. How doctors and hospitals cash in from Big Pharma. Business Post. Accessed 25 November, 2021. <https://www.businesspost.ie/analysis-opinion/how-doctors-and-hospitals-cash-in-from-big-pharma-edb1b5a0>
6. Larkin J, Pericin I, Collins M, Smith SM, Byrne D, Moriarty F. GPs' perceptions of their relationship with the pharmaceutical industry: a qualitative study. *BJGP open*. 2021;5(5)
7. US Department of Justice. Merck to Pay More than \$650 Million to Resolve Claims of Fraudulent Price Reporting and Kickbacks. Accessed 25 November, 2021. https://www.justice.gov/archive/opa/pr/2008/February/08_civ_094.html
8. Van Zee A. The promotion and marketing of oxycontin: commercial triumph, public health tragedy. *Am J Public Health*. Feb 2009;99(2):221-7. doi:10.2105/ajph.2007.131714
9. Moriarty F, Larkin J, Fahey T. Payments reported by the pharmaceutical industry in Ireland from 2015 to 2019: An observational study. *Health Policy*. 2021;125(10):1297-1304.
10. Bergman A, Grennan M, Swanson A. Medical Device Firm Payments To Physicians Exceed What Drug Companies Pay Physicians, Target Surgical Specialists: Study examines payments medical device firms pay to physicians. *Health Affairs*. 2021;40(4):603-612.
11. Medical Council. Guide to Professional Conduct & Ethics for Registered Medical Practitioners. Accessed 10 December, 2020. <https://medicalcouncil.ie/news-and-publications/reports/guide-to-professional-conduct-and-ethics-for-registered-medical-practitioners-amended-.pdf>
12. Fitzgerald C. Poll: Should doctors be allowed to accept money from pharmaceutical companies? Thejournal.ie. Accessed 25 November, 2021. <https://www.thejournal.ie/poll-pharma-3066080-Nov2016/>
13. Cuadrado DC, Hausenkamph DS. Pharmaceutical companies' payments to healthcare professionals: an eclipse of global transparency. U4. Accessed 25 November, 2021. <https://www.u4.no/blog/pharmaceutical-payments-to-healthcare-professionals>
14. Code of Federal Regulations. Transparency Reports and Reporting of Physician Ownership or Investment Interests. Accessed 25 November, 2021. <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-A/part-403/subpart-1>
15. Van Keymeulen E, Bénard L. The revised French transparency regime: additional disclosure obligations for life sciences companies. Thomson Reuters. Accessed 25 November, 2021. [https://uk.practicallaw.thomsonreuters.com/w-010-8043?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/w-010-8043?transitionType=Default&contextData=(sc.Default)&firstPage=true)
16. Kelleher B. Medical Practitioners (Amendment) Act 2017. Accessed 25 November, 2021. <http://www.irishstatutebook.ie/eli/2017/act/10/enacted/en/html>
17. O'Doherty C. Millions of euro paid in secret to doctors by firms. Irish Examiner. Accessed 25 November, 2021. <https://www.irishexaminer.com/news/arid-30895946.html>
18. O'Halloran M. Bill will require doctors to declare gifts from pharma firms. Irish Times. Accessed 25 November, 2021. <https://www.irishtimes.com/news/politics/oireachtas/bill-will-require-doctors-to-declare-gifts-from-pharma-firms-1.3263608>