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MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202/224-1308
for U.S. Senator Chuck Grassley of Iowa
RE: Drug company money to doctors
DA: Tuesday, February 26, 2008

Senator Chuck Grassley has asked leading drug makers to follow Eli Lilly's lead and disclose the money it spends for continuing education for doctors. His written appeal for additional voluntary efforts is below, along with a list of the recipients of his letter.

Senator Grassley has been working in recent years to increase transparency in the financial relationships between the pharmaceutical industry and the medical community. Last fall, he and Senator Herb Kohl introduced legislation that would require drug and device manufacturers to publicly disclose anything of value given to physicians, such as payments, gifts, honoraria or travel above certain amounts.

Senator Grassley is Ranking Member of the Committee on Finance. "Transparency builds both trust and accountability," he said. "I'm asking other pharmaceutical organizations to follow Lilly's lead and show the public there's nothing to hide."

February 26, 2008

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February 26, 2008

Richard T. Clark
Chairman, President, and Chief Executive Officer
Merck & Co. Inc.
1 Merck Drive
Whitehouse Station, NJ 08889

Dear Mr. Clark:

The United States Senate Committee on Finance (Committee) has jurisdiction over the Medicare and Medicaid programs. As a senior member of the United States Senate and as

Ranking Member of the Committee, I have a special responsibility to protect the health of Medicare and Medicaid beneficiaries and safeguard taxpayer dollars authorized by Congress for these programs. This includes the responsibility to conduct oversight of the medical industry, including makers of pharmaceuticals and medical devices.

One important aspect of my recent oversight concerns the financial relationships that companies such as (The Company) have with medical organizations. On this issue, the Eli Lilly and Company (Eli Lilly) has taken an important step to meet the public's demand for transparency. In response to my investigation of drug company payments for continuing medical education, Eli Lilly voluntarily created a website to disclose its payments to organizations such as patient groups and medical societies. I commend Eli Lilly for this leadership and look forward to working with it, and all of the major pharmaceutical and medical device companies, to further increase the sunshine on key financial relationships.

I am writing to ask what steps your company is taking, or planning to take, to enhance the transparency of your financial relationships with these medical organizations. If your company does not yet have any efforts or plans in place, please explain why not.

I am sure you are also aware of my latest legislation regarding transparency. The Physician Payments Sunshine Act, which Senator Herb Kohl and I introduced last fall, requires drug and device manufacturers to disclose to the Secretary of Health and Human Services (HHS) anything of value given to physicians, such as payments, gifts, honoraria, or travel above certain minimum thresholds. Companies would also report the name of the physician, the value and date of the payment or gift, and its purpose, among other information. The Secretary of HHS would then make this information available to the public on a searchable website. In addition to voluntary efforts by industry to disclose their contributions to medical organizations, the enactment of this legislation will finally bring transparency to the financial relationships between the physicians themselves and companies such as yours. While this legislation moves through the legislative process, it is my hope that we can also bring transparency to the relationships between industry and medical organizations through more voluntary efforts like those of Eli Lilly.

In closing, I would appreciate hearing your response to this letter no later than March 10, 2008.

Sincerely,
Charles E. Grassley
United States Senator
Ranking Member of the Committee on Finance

USA Today
Tuesday, February 26, 2008
Drugmakers asked to reveal educational grants to doctors
By Steve Sternberg, USA TODAY

Wondering how much money drug companies spend on continuing education for doctors — and who gets all the support?

Eli Lilly & Co. thinks you deserve to know and lists its grants on its website. Pfizer plans to post similar details soon. Despite Pfizer's move, it is among the 15 companies getting a letter today from Sen. Chuck Grassley, R-Iowa, asking what they're doing to "meet the public's demand for transparency."

If your company does not have any plans in place, the letter says, "please explain why not."

"Transparency builds both trust and accountability," says Grassley, ranking member of the Senate Finance Committee, which oversees Medicare and Medicaid. "I'm asking other pharmaceutical organizations to follow Lilly's lead and show the public there's nothing to hide."

Alan Coukell of the Prescription Policy Project, a non-profit that has taken aim at conflicts of interest in medicine, says: "Sen. Grassley is a bear on this issue. He has multiple ongoing investigations. He did a big report last year on continuing medical education and the potential for the medical industry to bias (programs) they're funding."

The drug industry is famous for spending vast sums on promotion, an estimated \$30 billion in 2004, according to a study last year in *The New England Journal of Medicine*.

Companies are barred by law, however, from using educational grants — for conferences that doctors must attend to keep pace with scientific advances — to promote their own drugs or devices, experts say. Nevertheless, the finance committee report cited two instances of abuse. To settle those claims of improper drug promotion, Warner-Lambert paid \$430 million in 2004 and Serono labs paid \$704 million in 2005.

Companies can follow the rules and still spend lots of money, judging from an analysis of Lilly's website. In one quarter last year, Lilly spent nearly \$20 million on educational grants, much of it going to conferences for medical specialties that rely on the company's biggest product lines: neuroscience, endocrinology and oncology.

"You give where you earn," says David Rothman of Columbia University, a study author and the Policy Project's associate director.

Alan Breier, Lilly's chief medical officer, says Lilly was not pressured to act by public opinion or Congress and plans to expand the program worldwide. "We started (posting educational grants) last year as part of our transparency agenda, to build trust and confidence (among patients)," he says. "In 2004, we were the first company to voluntarily post our clinical trials and our clinical trials data. We found it was something that patients and doctors appreciated and embraced."

Cathryn Clary, a Pfizer vice president, says her firm is "quite proud of the funding and support we provide" and plans to post this year's first-quarter data soon after the quarter's end.

Clary says Pfizer executives are discussing what to disclose next, adding that the ease of accessing data on the Internet has greatly increased demand. "We're all struggling with how much to reveal," she says. "Stay tuned."