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Floor Statement of U.S. Senator Chuck Grassley of Iowa
Pharma Payments to Doctors
Wednesday, April 2, 2008

Mr. President, for the last few years, I have been looking at how drug companies may improperly influence medical care.

It's no secret that drug and device companies have substantial financial relationships with physicians.

In addition to multimillion dollar royalty payments and lucrative consulting contracts, I have found that drug and device companies often provide perks to doctors, such as expensive trips, lavish speaking fees, and other benefits.

These relationships can motivate doctors to modify their treatment practices and those practices may not be in the best interest of patients.

Because these financial relationships are so common, Senator Kohl and I introduced the Physician Payments Sunshine Act last year. Now this bill is not aimed at stopping money from flowing to doctors, but it will throw a little sunshine on the issue and hopefully curb bad behavior.

And I am proud to report that the bill is gaining support from industry and many physicians.

In fact, medical device maker Zimmer recently announced its support. And I expect more companies to come on board soon.

Why are companies coming on board? Because they know it is the right thing to do. I hope that my colleagues in the Senate feel the same.

Since last summer, I have been investigating dozens of physicians to see if they are reporting their outside income to their universities. These physicians are at public and private universities and are working at institutions of higher learning across the United States.

Today, I am going to report on the actions of one physician to explain how industry

payments to medical experts can affect medical practice.

Last summer, The New York Times ran an article about several drugs called atypical antipsychotics.

These drugs are very powerful, and the New York Times reported that they are widely prescribed for children.

In the case of Seroquel, this drug became widely prescribed to treat children for bipolar disorder in 2005. And it is important to examine this drug because we have paid billions of taxpayer dollars for Seroquel in the last few years.

This happened after a group of experts decided that drugs like Seroquel worked in kids and published new guidelines in The Journal of the American Academy of Child and Adolescent Psychiatry.

But this panel based its guidelines on a single inconclusive study from 2002.

Paid for by Astra Zeneca, the study concluded that kids did well on Seroquel, even though half of them dropped out of the study because of bad side effects.

The lead author of this study was Dr. Melissa DelBello, a professor at the University of Cincinnati.

After reading about this story, I sent a letter to the University of Cincinnati and asked to see Dr. DelBello's reports of outside income.

I found out that Dr. DelBello received over \$100,000 from Astra Zeneca in 2003, the year after she did the study.

The following year, the company paid her over \$80,000. These payments were for lectures, consulting fees, service on advisory boards, and reimbursements for travel-related costs.

After the university sent me these records, I asked Astra Zeneca to account for money that the company had sent to Dr. DelBello.

The numbers didn't add up. Between 2005 to 2007, Dr. DelBello reported about \$100,000 in outside income to her university.

But I found out that Astra Zeneca had paid her over \$238,000-that's a big difference. And the money keeps dribbling in.

Just last week, Astra Zeneca reported to me that they had discovered an additional \$1800 in payments to Dr. DelBello. Who knows if we will ever know the full amount.

So her own university, which is supposed to be monitoring her conflicts of interest, didn't even know about the additional payments.

It seems to me that they did what many universities around the country do—they trusted their faculty to provide accurate information.

Even worse, I found out that Dr. DelBello receives grant money from the National Institutes of Health. And according to federal regulations, universities are supposed to monitor conflicts of interest when their researchers receive NIH grants.

Obviously, the university is engaged in the practice of "trust but did NOT verify."

Another interesting thing happened while I was looking into Dr. DelBello.

According to the letter I received from the University of Cincinnati, Dr. Del Bello failed to report other money that she received from big drug companies.

It turns out that Dr. DelBello had a company which she established for "personal financial purposes.

AstraZeneca, the maker of Seroquel, paid MSZ Associates Inc., an Ohio Corporation, over \$60,000.

And where do you think is the address for MSZ Associates? You got it, the Department of Psychiatry at the University of Cincinnati.

This situation is unfortunate on so many levels.

It is unfortunate for the University of Cincinnati that relied on the representations of its faculty; it is unfortunate for patients who once believed that their doctor was not for sale; and it is unfortunate that we are in a day and age where a bill promoting transparency for millions and millions of dollars going from big drug companies to American doctors is necessary.

This is just one example of a doctor who has been receiving large amounts of money from drug companies.

In this area, as in many others, a little bit of sunshine will go a long way.

The fact that a physician can promote a drug to other doctors and receive NIH funding, while hiding a very clear conflict of interest, is disturbing. And that's why we need this bill. Because nobody is watching this money and it is having a bad effect on medical practice.

Before closing I also want to say that the University of Cincinnati has and continues to be very cooperative in this investigation and it is greatly appreciated. I yield the floor.