Drug makers funnel payments to high-prescribing doctors

Nearly one-quarter of Medicare's top-prescribing physicians received consulting fees or other financial perks from manufacturers of the drugs they prescribed in 2013, renewing nagging questions about conflicts of interest in medical decision making.

More than 400 physicians prescribed at least $1 million worth of drugs in the Medicare Part D drug benefit program, and 23% of them accepted some form of a non-research payment from the corresponding drugmaker in 2013, according to a Modern Healthcare analysis of the CMS' recent Part D data release and of the Open Payments database.

For instance, Dr. Gavin Awerbuch, a neurologist based in Saginaw, Mich., billed Medicare in 2013 for more than $6.4 million worth of Subsys, a pain reliever for cancer patients. That was the second-highest total for one doctor prescribing a single drug. Insys Therapeutics, the maker of Subsys, paid Awerbuch more than $56,000 that same year for an array of services, including $4,100 for a Subsys-related speaking engagement.

The Justice Department indicted Awerbuch last year, accusing him of fraudulent prescribing of unneeded medication. His case is pending. Calls to Awerbuch, Insys and state prosecutors were not returned.

The Modern Healthcare analysis found that some physicians and provider groups prescribe large volumes of brand-name drugs from pharmaceutical firms and accept money from those same manufacturers. About 17% of the almost 36,000 providers in the Part D database who prescribed $100,000 or more of a single drug received money from the maker of that drug. The same holds true for 20% of the 2,200 physicians who prescribed at least $500,000 of one drug.

In total, the database included more than 800,000 physicians, nurse practitioners and other providers. Actelion Pharmaceuticals, Celgene Corp. and Teva Pharmaceuticals USA were among the drugmakers that appeared often in both databases.

Some experts say these correlations suggest an unholy linkage between prescribing behavior and industry payments to doctors. But others caution that it's hard to draw conclusions without more detailed information about the physicians' practices and the nature of the financial relationships, such as whether the payments are for research or marketing purposes.

“It is frankly magical thinking to believe that those two things are not related,” said Eric Campbell, a Harvard Medical School sociologist who studies conflicts of interest in healthcare. “It's just completely not in the realm of reality to deny—when you see over and over that the highest-paid speakers are among the ranks of the highest prescribers—that there isn't a relationship there.”
“It’s an enormous problem,” said Dr. Steven Nissen, chair of cardiovascular medicine at the Cleveland Clinic. He co-published research in 2007 that found Avandia, a former blockbuster diabetes drug made by GlaxoSmithKline, was associated with increased risks for heart attacks. “I believe it is incompatible with our roles as independent decision makers,” he said.

The CMS cautioned that payments to providers from drug makers and biotechnology companies don't necessarily mean there is a conflict of interest. The agency said in a written statement that it has “a range of tools” in place to track fraudulent behavior and odd prescribing patterns. “Information about financial relationships alone is not enough to decide whether they’re beneficial or improper,” according to the CMS. “Just because there are financial ties doesn't mean that anyone is doing anything wrong. Transparency will shed light on the nature and extent of these financial relationships and will hopefully discourage the development of inappropriate relationships.”

There are some caveats in analyzing the Part D and Open Payments data. Not all the physicians listed equate to one individual physician. In some instances, all the providers in one medical group bill Medicare under one doctor's name. Some physicians may then appear to be prescribing higher amounts of certain drugs than is actually the case.

In addition, the data are somewhat incomplete and there are inconsistencies in provider information between the two databases. The Open Payments database, created by the Physician Payments Sunshine Act provision of the Affordable Care Act, does not provide specific provider identities for 60% of reported payments. Consequently, Modern Healthcare’s analysis covers only the $1.4 billion of identified payments. Also, the Open Payments database accounts only for the last five months of 2013, meaning that payments from drug companies to providers are potentially even higher. The next round of Open Payments data will go live June 30.

Dr. Mark McClellan, a former CMS administrator and now a senior fellow at the Brookings Institution, said some associations between specific drug prescribing patterns and payments “will lead to further questions.” But, he added, without knowing the full details of every relationship, it may be “hard to reach definitive conclusions about whether particular providers or practices are good or bad.”

Whether there is actual bias in prescribing patterns “is potentially worthy of a bit more investigation,” said Dr. Aaron Kesselheim, a pharmacoeconomics faculty member at Brigham and Women’s Hospital in Boston. For example, do high prescribers of particular drugs attract pharmaceutical companies to them, or do drug companies seek out physicians who then become high prescribers?

Nissen said he consults with drugmakers and helps them with research but has a personal policy of rejecting any payments that constitute income, such as speaking fees or honoraria.

He appears in the Open Payments database, receiving $5,412.48 from Amarin Pharma, a cardiac-focused drug firm based in Bedminster, N.J. Most of that amount was donated to the Cleveland Museum of Natural History, while the remainder covered his basic expenses for an out-of-town research meeting. Nissen appears in the Medicare Part D database twice, and neither listing involves drugs from Amarin.

The questions become more concerning when drugmakers benefit financially from the prescribing habits of doctors they are paying. But some physicians offer convincing arguments about the legitimacy and social value of drugmakers’ payments to them.
Dr. Vallerie McLaughlin, a cardiologist at the University of Michigan Health System in Ann Arbor, prescribed more than $4.8 million of Tracleer to Medicare beneficiaries in 2013—making her the sixth-highest prescribing physician of a single drug. She also received $40,491 in clinical consulting fees, meals and travel from Actelion Pharmaceuticals, the Swiss conglomerate that manufactures Tracleer. None of the payments were directed to charities or other third parties.

Tracleer treats pulmonary arterial hypertension (PAH), a rare type of high blood pressure that affects the lungs and is potentially fatal.

McLaughlin told Modern Healthcare that her prescribing patterns and her payments from Actelion “reflect the large volume of pulmonary arterial hypertension patients I see and manage in one of the country’s largest PAH programs.” Eighty of her patients use Tracleer, and she prescribes other, less-expensive therapies for PAH when appropriate, she said. “I prescribe many and varied treatments for PAH, based on guidelines and a shared-decision model with patients, including Tracleer, which was the first oral therapy approved for PAH back in 2001,” McLaughlin said. “Many patients have done well on the drug for many years.”

She defended the payments from Actelion, saying that none were related to marketing and that physicians’ paid consulting with drugmakers is beneficial for drug development. Many of her reported payments from Actelion also were related to Opsumit, a PAH drug made by Actelion that was approved by the Food and Drug Administration in 2013.

“It’s in the best interest of clinical-care delivery for biomedical companies to be advised by the knowledgeable, experienced experts,” McLaughlin said. “I have treated PAH patients and have been involved in clinical trials in PAH for 20 years. My consulting is related to drug development and clinical trial design. All of my consulting engagements are disclosed to and approved by the University of Michigan.”
Actelion said in a written statement that payments to McLaughlin were for clinical research and scientific consulting work. “Only a portion of the payments in the CMS database went to Dr. McLaughlin personally,” according to the company. “The decision by physicians to use Tracleer, or any other drug for PAH, is based on their independent medical judgment as to what is best for their patient. Actelion does not provide incentives to physicians for prescriptions.”

Actelion made payments to other top physician prescribers as well. Eight of the 30 highest Medicare Part D prescribers in 2013 were listed for their prescribing of Tracleer, the patent for which expires this year. Five of those physicians received some type of consulting payment, speaking fee or general reimbursement from Actelion, according to Modern Healthcare's analysis.