

MARKETING AND GIFT RESTRICTIONS

HDMA's Position

There is increasing interest among lawmakers to require pharmaceutical manufacturers to disclose their marketing activities related to prescription medicines. The intent of such legislation is to make transparent the relationships between pharmaceutical manufacturers and the physicians or other health professionals who prescribe medications.

For the following reasons, HDMA believes that gift disclosure legislation should not include requirements applicable to distributors:

- Healthcare distributors should not be subject to the same gift and marketing reporting requirements as pharmaceutical manufacturers because healthcare distributors do not influence the selection of medicines by physicians and other healthcare providers. Instead, they fulfill the orders provided by pharmacists, physicians and other healthcare professionals.
- Distributor marketing focuses only on the services that distributors provide — e.g., the ability to fulfill the medical decisions of healthcare providers — not to influence which products they choose.
- A distributor exemption from legislation proposed to address marketing and gift restrictions would provide a clear distinction between manufacturers (who may market and distribute their own products to healthcare professionals) and state-licensed, primary healthcare distributors (who provide services regardless of the products healthcare professionals select and so do not influence product selection).

Issue

Pharmaceutical manufacturers expend significant resources to educate healthcare providers, hospitals and health benefit plan administrators about their pharmaceutical products. As a result, many legislators have introduced legislation that would require pharmaceutical manufacturers to disclose any gifts given to healthcare providers or others who are responsible for selecting the brand or type of medicine that they will prescribe or provide to patients.

Some gift disclosure legislation that has been introduced would impose the same reporting requirements on healthcare distributors as on pharmaceutical manufacturers, despite the fact that the role of the healthcare distributor in the pharmaceutical supply chain is vastly different than that of the manufacturer.

The Healthcare Distribution Management Association (HDMA) is the national association representing primary healthcare distributors, the vital link between the nation's pharmaceutical manufacturers and healthcare providers. Each business day, HDMA member companies ensure that nearly nine million prescription medicines and healthcare products are delivered safely and efficiently to nearly 200,000 pharmacies, hospitals, long-term care facilities, clinics and others nationwide. HDMA and its members work daily to provide value and achieve cost savings, an estimated \$42 billion each year to our nation's healthcare system. For more information, visit www.HealthcareDistribution.org.

