No More PHAT PHARM$

New rules crack down on pharmaceutical

BRYAN DECASTRO REMEMBERS THE BAD days well. "For a meeting I did in Bermuda," recalls the New York City-based pharmaceutical meeting planner, "one doctor not only asked us to cover expenses for his entire family, he actually wanted us to pay for his use of a private plane to fly there!" That particular request was vetoed, but others—nearly as outrageous—were not: Once a physician said he would attend only if he received a certain rare and extremely expensive liquor, notes deCastro. "My client, a drug manufacturer, wanted him so badly they said okay. I was running all over Manhattan trying to find a bottle of fifty-year-old Scotch!"

Once upon a time, drug companies were more than happy to jump through such hoops, in the hopes that by earning face time with physicians they could influence the docs to prescribe their pill over the competitors'. But no more. Today, the pharmaceutical industry is under increasing scrutiny for what many view as unethical marketing practices, and the extravagant doctor-attended affairs deCastro and others used to organize have become rare as of last July, when the Pharmaceutical Research and Manufacturers of America (PhRMA), an association of drug companies, issued a new ethics code on interactions with healthcare professionals. Though the PhRMA guidelines are voluntary, and vaguely worded, many drug companies have come up with their own versions that strictly limit how meetings are run. With these tighter reins in place a full year now, Successful Meetings spoke to industry experts to find out how planners are handling the new restrictions—and how some companies continue to bend the rules.

Money for Drugs

In an era when events of all stripes are being curtailed, it's no wonder the lavish bashes pharmaceutical firms famously threw for doctors eventually became infamous, especially given the industry's statistics: Last year, pharmaceutical companies spent $1.8 billion just on so-called "drug dinners" (dinner meetings with physicians), and according to IMS Health, a pharmaceutical market research firm, the industry hosted 317,000 promotional events in 2001 at a cost of $2.1 billion, an increase in spending of 12 percent over the previous year.

Controversy over the drug companies' aggressive selling tactics first heated up when health-care professionals themselves blew the whistle. Back in 1999, Bob Goodman, M.D., an internist in New York City, launched a Web site, www.nofreelunch.org, whose motto is "Just say no to drug reps." In a December 2001 article in the Wisconsin Medical Journal called "Physicians and the Pharmaceutical Industry: A Growing Embarrassment and Liability," physician Dean Whiteway denounced the pharmaceutical industry for spending between $8,000 and $13,000 per year per physician on marketing. And just two months later, in a February 2002 expose on ABC's Primetime Live, Dr. Rudy Mueller wore a hidden camera into a drug-
company-sponsored banquet, giving millions of viewers a glimpse of the extravagant perks pharms were dishing out to physicians. As a registered nurse in Cincinnati, OH, sums up, "The pharmaceutical industry is under scrutiny because of all the unethical business practices that have come to light."

In this charged atmosphere, the industry adopted the PhRMA code in July 2002, in what many observers say was an attempt to pre-empt government intervention by policing itself. Yet federal regulation may well be the next step: In late April, the U.S. Department of Health and Human Services issued its own compliance guide for pharmaceutical manufacturers; although it too is voluntary, the document warns drug companies that offering financial incentives to physicians and other health-care workers to encourage the prescribing of certain drugs violates federal law.

**Take My Wife-Not!**

How does all this affect meetings? For starters, the PhRMA code permits only "occasional" and "modest" meals, if they're held in a venue conducive to business and during an informative presentation or discussion. Spouses and guests are no longer invited--or rather, they may attend depending on the program, but the physicians must cover their expenses. In keeping with a more professional atmosphere, many companies won't use properties whose names contain the word "spa" or "resort." (One resort in New Mexico even toyed with the idea of changing its letterhead to remove the taboo word and thereby keep its pharmaceutical business.)

To avoid ambiguity about what constitutes a "modest" meal, many drug makers have written their own rules restricting planners in the most expensive cities to no more than $125 per plate at dinner, $50 at lunch, and $30 at breakfast, forcing some planners to dramatically alter their programs. "For our weekend meetings, we used to go off site for Saturday night's dinner, but now we stay at the hotel," says Brian Stansifer, director of meeting services at New York City-based Meetings In Medicine. "You can't even rent chairs and tables for $125 a person!"

"In the past, when we had large medical conferences in town, with different pharmaceutical companies all vying for the doctors' attention, it was all about who could throw the biggest, best party--who could throw out the most effective marketing campaign, hook attendees in, and keep them there for the balance of the evening," recalls Tracey Brenneman, CMP, senior sales manager at PRA Destination Management in San Diego. "Nowadays the focus is on education and the social part is secondary--we're doing sit-down dinners with PowerPoint presentations by doctors."

The new, no-frills meetings, needless to say, are affecting many planners' bottom lines: "I wouldn't say we're making less money, but it's probably taking more programs to make the same amount of money we did before," notes Brenneman. More bluntly, "Due to the new voluntary codes, we have experienced a significant drop in both the number of meetings we are operating and the attendance at those meetings," says a spokesperson for Dan Leong, chief operating officer of USMotivation in Atlanta.

Others go so far as to suggest their competitors aren't toeing the line. "Sometimes when we tell the doctors they'll have to pay for their guests, we get reactions like, "Company X isn't doing that,"" says Stansifer. "So it's inconsistent. And in a competitive market, those who don't play by the rules mess things up for those who do." Stansifer adds that he's even heard of hotels being asked to "play around with the numbers--for instance, billing for a higher room-rental rate so that the F&B charge will be under the $125 limit." (Asked about this phenomenon, hotel staffers contacted for this article would not comment, but it was confirmed by another planner who spent 20 years on the hotel side.)

**Just Say Yes to Stethoscopes**

Drug companies, once notorious for giving physicians pricey perks like Super Bowl tickets, are now limited by the PhRMA guidelines to "items primarily for the benefit of patients" (a medical textbook, say) worth $100 or less, although gifts "of minimal value" like pens or notepads are allowed if they contain a prominent logo. Depending on the kind of gathering, entertainment and social events may still occur if they're "clearly subordinate in terms of time and emphasis." Translation: Your doctors can take off a couple of hours for golf during a three-day advisory board meeting as long as the sales reps don't tag along. "The objective is to create interaction among the doctors, not between them and the reps," explains Chris Pentz of Levittown, PA-based PENTZ Group Communications, a management firm specializing in health-care meetings.

This latter requirement can play havoc with meeting agendas. "You can't give [attendees] too much free time..."
compared to time spent on education, and the way you get around that is by not putting end times for meal functions” notes Kathleen Molloy, senior program manager for CMM Global, an Austin, TX-based medical meetings firm. “On our schedules now, we just write, ‘Dinner is at 6:30,’ instead of ‘6:30 to 10:30.’"

Molloy’s comment, like Stansifer’s, suggests there are many gray areas to compliance. Schmoozing still goes on, most notoriously--as reported by a critical-care nurse in one Midwestern city-in the form of so-called "fluid rounds," whereby drug companies sponsor happy hours at local bars for hospital personnel. But overall, the new atmosphere is one of near-paranoid scrutiny, as exemplified by the remarks of a Philadelphia-based pharmaceutical sales rep who refused to be interviewed: "Things are so strict and the legal environment is so intense, I can't even go there." And while so far only pharmaceutical firms are feeling the heat, that will probably change: On September 1, the Advanced Medical Technology Association, which represents medical-device companies, will release its own guidelines on marketing to doctors.

Meanwhile, many planners praise the new guidelines for placing the emphasis back on education. DeCastro, for one, is glad he no longer spends his time hunting down rare bottles of Scotch. "Medical meetings are extremely beneficial to both the pharmaceutical companies and the physicians," he declares. "By providing clinically relevant information, they let drug companies promote quality health care while also protecting the rights of patients."

**the medicine show**

How now to grab docs' attention at trade shows? Showtime Enterprises in Paulsboro, NJ, which builds 3D marketing pieces for Pfizer and other drug firms, created a "tunnel experience" for a company that makes antipsychotic medication. "The doctor, along with an actor playing a patient, walks through a 70-foot tunnel that uses images, lights, and sounds to mimic the patient's symptoms and show how the drug relieves them," says Gregory Miller, a Showtime senior VP. "They go from dark mood lighting with the 'patient' saying, 'I don't feel good about myself to a brighter atmosphere." Miller insists this is educational: "It helps doctors relate to their patients' psychosis or depression." But that's not all: "Ideally, it also builds loyalty to a particular brand."

PHOTO (COLOR): Spaced-Out Mountain? At trade shows, Showtime's "tunnel experience" psychedelically recreates psychosis, while shilling for pharms

PHOTOS (COLOR)

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Source: Successful Meetings, Jul2003, Vol. 52 Issue 8, p38, 4p, 2c.

Item Number: 10260151