

Pharmaceutical Marketing Disclosures: Report of Vermont Attorney General William H. Sorrell May 10, 2005

I. Executive Summary

This is the second report of Vermont Attorney General William H. Sorrell on Pharmaceutical Marketing Disclosures. It is based upon disclosures, filed from July 1, 2003 through June 30, 2004 (FY 04) by pharmaceutical manufacturers, listing the amount of money the companies spent during the past fiscal year on fees, travel expense, gifts, and other payments to physicians, hospitals, universities and others that prescribe or dispense pharmaceutical products. Vermont's Pharmaceutical Marketing Gift Disclosure Law, 33 V.S.A. § 2005 ("Gift Disclosure Law"), requires the manufacturers to file the disclosures with the Vermont Pharmacy Board, and requires the Vermont Attorney General to issue this report about the disclosures.

Vermont's Gift Disclosure Law is the first in the nation requiring such disclosures. As this report evidences, the Gift Disclosure Law provides useful information about the distribution of money within the medical community by pharmaceutical manufacturers to market pharmaceuticals.

According to the disclosures filed by pharmaceutical manufacturers during FY 04, 48 pharmaceutical manufacturers spent \$3.11 million on fees, travel expenses, and other direct payments to Vermont physicians, hospitals, universities and others for the purpose of marketing their products in Vermont. This is a 26% increase from the \$2.47 million spent last year. On a national basis, this would amount to an expenditure of \$1.45 billion on such marketing. The largest spenders in Vermont on this type of marketing during FY 04 were Merck, Amgen, GlaxoSmithKline, Forest Pharmaceuticals, and Eli Lilly. In FY 03, the top five spenders were GlaxoSmithKline, Bristol-Myers Squibb, Merck, Forest Pharmaceuticals, and AstraZeneca. In FY 04, the five companies that spent the most on disclosed marketing activities represent approximately 72% of the total disclosed expenditures by all reporting companies, a percentage that is nearly identical to the percentage spent by the top five spending companies in FY 03.

Physicians and other prescribers received 54% of the total payments and benefits, as compared to 49% in FY 03. All health care providers received 60% of the total during the FY 04, which is a decrease from 79% the previous year.

Starting in January 1, 2004, the pharmaceutical companies were required to report the names of the recipients along with the amount of reportable gifts. Out of a total of 426 recipients who received an aggregate amount of \$1,450,758 during the last six months of FY 04, the 25 recipients who received the greatest amount of reportable gifts received \$900,804.58. Thus, 5% of the recipients received 62% of the

total reportable gifts during this period. Of the top 100 recipients, hospitals were the greatest beneficiaries of reportable gifts, followed by psychiatrists and pharmacists.

The \$3.11 million expenditure in FY 04 does not describe the total marketing effort by pharmaceutical manufacturers in Vermont. The Gift Disclosure Law does not require the manufacturers to report expenditures on advertising or salaries of employees, known as "detailers", who promote products to prescribers and others in Vermont. The Gift Disclosure Law only requires reporting of economic benefits given directly to physicians, hospitals, universities and others in the course of the manufacturers' promotion programs. The Gift Disclosure Law has several exceptions to the reporting requirements, including free samples, compensation for clinical trials, payments under \$25, and certain educational scholarships. In addition, regulators had added an exception for unrestricted grants for continuing medical education that was effective in FY 04.¹ As a result of these various exceptions, the \$3.11 total expenditure figure for FY 04 understates the actual amount of money spent by the reporting companies on economic benefits given directly to prescribers and others in the Vermont medical community.

The Attorney General recommends that the Legislature make two relatively minor changes to law relating to the administration of the Gift Disclosure Law. These proposed changes, described at the end of the report, would ensure that all data are submitted in a timely and accurate manner, that the resulting report is comprehensive and useful, and that the Attorney General's administrative resources are used for analyzing data rather than unnecessary enforcement of the reporting requirements.

II. Description of Vermont's Gift Disclosure Law

The Vermont Legislature enacted the Gift Disclosure Law in 2001, and amended it in 2004. The Gift Disclosure Law requires pharmaceutical manufacturers to report to the Vermont Attorney General, on forms and in a manner prescribed by the Attorney General, marketing payments made to persons in Vermont who are authorized to prescribe, dispense or purchase pharmaceutical products. In particular, the Gift Disclosure Law requires every pharmaceutical manufacturer to disclose:

the value, nature and purpose of any gift, fee, payment, subsidy or other economic benefit provided in connection with detailing, promotional or other marketing activities by the company, directly or through its pharmaceutical marketers, to any physician, hospital, nursing home, pharmacists, health benefit plan administrator or any other person in Vermont authorized to prescribe, dispense, or purchase prescription drugs in this state.

¹ Starting on July 1, 2004, and therefore effective beginning with next year's reporting period, the Vermont Legislature added an exception for pharmaceutical discounts and rebates.

33 V.S.A. § 2005(a)(1).

Exempted by statute from disclosure are the following:

- Free samples of prescription drugs intended for distribution to patients;
- Payment of reasonable compensation and reimbursement of expenses in connection with bona fide clinical trials;
- Gifts, fees, payments, subsidies or other economic benefits valued less than \$25.00;
- Certain scholarships and other financial support for medical students, residents and fellows to attend significant educational, scientific or policy-making conferences of medical or professional associations.
- Unrestricted grants for continuing medical education programs; and,
- Prescription drug rebates and discounts, beginning with FY 05, which starts on July 1, 2004.

33 V.S.A. § 2005(a)(4).

The Gift Disclosure Law prohibits the Attorney General from disclosing information that constitutes "trade secrets" under Vermont's Access to Public Records Law, 1 V.S.A. §317(c)(9). The Gift Disclosure Law requires that the disclosure form permit the reporting companies to identify any disclosed information that they believe constitute such "trade secrets". See 33 V.S.A. §2005(a)(3).

As a result of analysis of the disclosure process in FY 03, a number of changes were made to the reporting requirements for FY 04.

- Pharmaceutical marketers were required to file their disclosures on electronic forms available on the Attorney General's web site. This requirement was instituted to standardize the characterization of the reported payments, and to simplify the process of aggregating the information for this report.
- The disclosures were required to be made directly to the Attorney General. In the prior year, marketers filed their disclosure forms with the Vermont Board of Pharmacy, which in turn submitted them to the Vermont Attorney General. The Attorney General and Pharmacy Board, and subsequently the Legislature, agreed that the administration of the law should be more streamlined, and beginning in FY 04 the disclosure forms were filed directly with the Attorney General.
- The disclosures were required to include the name of the recipient. The requirement to report recipients was first instituted by the

Pharmacy Board, and became effective on January 1, 2004. As a result, the disclosures from January 1, 2004 to June 30, 2004 include the name of recipient who received the reportable gift. The legislature adopted the requirement to report recipient names in the 2004 legislation. As a result, the FY 05 disclosures should include a full year of recipient information.

The complete text of the Gift Disclosure Law is appended as Attachment 1. The complete text of the Guide in effect in FY 04 can be found at: http://www.atg.state.vt.us/upload/1103817253_2003-2004_Disclosure_Period.pdf .

III. Summary of Pharmaceutical Marketing Expenditures

In this report, the Attorney General's Office has organized the data submitted by the pharmaceutical marketers in four ways:

- Payments of each pharmaceutical manufacturer, organized by amount of total expenditure;
- Payments of all manufacturers organized by recipient type;
- Payments of all manufacturers organized by nature of expenditure;
- Payments of all manufacturers organized by purpose of expenditure.

1. Total Payments of Each Pharmaceutical Manufacturer

According to the reports filed by pharmaceutical manufacturers, 48 pharmaceutical manufacturers spent, for the purpose of marketing the companies' pharmaceutical products, approximately \$3.11 million in the aggregate from July 1, 2003 through June 30, 2004, on fees, travel expenses, gifts and other direct payments to Vermont physicians, hospitals, universities, and others who are authorized under Vermont law to prescribe, dispense or purchase pharmaceutical products in Vermont.² On a national basis, this would amount to an expenditure of \$1.47 billion on such fees, travel expenses, gifts and other direct payments to physicians, other prescribers, hospitals and universities. The lists of expenditures, ranked by amount of total expenditure, are appended as Tables 1 and 1A.

The companies that spent the most on reportable marketing activities during FY 04 in Vermont were: Merck, Amgen, GlaxoSmithKline, Forest Pharmaceuticals, and Eli Lilly. These five companies spent 72% of the total reported expenditures, which is nearly identical to the percentage spent by the top five companies in FY 03.

² In addition to the 48 companies that reported some payment to the Vermont medical community, six companies filed reports but indicated that they spent no money on the reportable categories of marketing expenditures.

In FY 03, the top five spenders were GlaxoSmithKline, Bristol-Myers Squib, Merck, Forest Pharmaceuticals, and AstraZeneca.

Of the 54 companies that have filed reports, 22 requested that some or all of their data be listed as Trade Secrets. The payments made by these 22 companies represent 62.4% of the total reported payments.

2. Payments by Recipient

Table 2 describes the expenditures in FY 04 by the type of recipient of the economic benefit. Persons authorized to prescribe pharmaceuticals in Vermont received \$1.68 million, or 54% of the total payments in FY 04. Comparing this figure of \$1.68 million to \$1.22 million, which was reported as the amount received by prescribers in FY 03, there was a 38% increase in total payments received by persons authorized to prescribe pharmaceuticals in FY 04. All health care providers, which include physicians, other prescribers, and other healthcare providers, received \$1.86 million, or 60% of the total, while in FY 03 this group received \$1.94 million, or 79% of the total. Comparing the dollar totals, there was only a 4% decrease from FY 03 to FY 04 in the payments made to all healthcare professionals. A final comparison of recipients showed that hospitals, clinics and universities experienced a 146% increase in FY 04, receiving \$1,232,143, as compared to \$500,334 in FY 03.

There are 10 categories of licensed professionals authorized to prescribe in Vermont: dentists; naturopathic physicians; nurse practitioners; optometrists; osteopaths; physicians; physician's assistants; podiatrists; scientific investigators; and veterinarians. The Vermont Secretary of State and Department of Health currently list 5,419 persons as licensed in all of these categories. If the \$1.68 million expended on prescribers were spread evenly throughout the prescribing community, then each person authorized to prescribe pharmaceuticals would have received \$310 in FY 04. This compares with a per prescriber expenditure of \$228 in FY 03. However, in FY 04 the top 10 physician recipients received between \$20,000 - \$80,000 in payments and gifts, so the per prescriber average is not a particularly relevant number.

As noted above, the Attorney General received more detailed recipient information for the six-month period from January 1, 2004 through June 30, 2004. For this six-month period, the total amount of reportable gifts received by all recipients was \$1,450,758. The total amount received by the top 100 recipients is \$1,231,250.16, or approximately 85% of the overall six-month total. The top 50 recipients received approximately 74% of the overall six-month total, or \$1,074,775.47, and the top 25 recipients received approximately 62% of the overall six-month total, or \$900,804.58.

Of the top 100 recipients for this six-month period, hospitals were the largest beneficiaries of gifts. Fourteen hospitals received a total of \$393,490.59, or approximately 27% of the overall six-month total. Psychiatrists received the second largest aggregate amount out of the top 100 recipients, with 15 psychiatrists receiving a total of \$167,565.66, or approximately 11.55% of the overall six-month total.

Although only 6 pharmacists were among the top 100 recipients to receive gifts for this six-month period, they received a total of \$136,330.83, or approximately 9.40% of the overall total. Therefore, these three groups combined received almost 50% of the overall total for this six-month period of time. The balance of gifts to the top 100 recipients was directed to internists, neurologists, dermatologists, RNs and other licensed professionals.³

Summary of Recipient Data for Top 100 Recipients
From January 1, 2004 – June 30, 2004

Specialty #1 Description (as self-reported)	Number of Recipients	Total Received	% of Overall Total	Average per Recipient
Hospitals	14	\$393,490.59	27.12%	\$28,106.47
Psychiatry/Psychiatry, Child/Psychiatry, Child and Adolescent	15	\$167,565.66	11.55%	\$11,171.04
Pharmacies/Pharmacists	6	\$136,330.83	9.40%	\$22,721.81
Other	10	\$124,668.27	8.59%	\$12,466.83
Hematology	1	\$61,192.78	4.22%	\$61,192.78
Internal Medicine	11	\$52,694.06	3.63%	\$4,790.37
Endocrinology, Diabetes & Metabolism	4	\$40,810.74	2.81%	\$10,202.69
Osteopathic Physician	1	\$30,007.97	2.07%	\$30,007.97
Obstetrics and Gynecology	2	\$25,008.75	1.72%	\$12,504.38
R.N.	6	\$23,578.04	1.63%	\$3,929.67
Health Centers	3	\$22,597.00	1.56%	\$7,532.33
Ionizing Radiation Privileges	3	\$22,018.10	1.52%	\$7,339.37
Dermatology	3	\$19,347.43	1.33%	\$6,449.14
University	1	\$18,500.00	1.28%	\$18,500.00
Neurology	4	\$16,206.35	1.12%	\$4,051.59
Oncology, Medical	2	\$16,186.87	1.12%	\$8,093.44
Family Practice	4	\$15,602.98	1.08%	\$3,900.75
Nephrology	2	\$15,230.58	1.05%	\$7,615.29
Cardiovascular Disease	2	\$10,685.39	.74%	\$5,342.70

³ Based on Specialty #1 as self-reported and listed in the Vermont Board of Medical Practice database, found at <http://www.healthyvermonters.info/bmp/bmp.shtml>

3. Payments by Nature of Expenditure

Table 3 describes the expenditures in FY 04 by the "nature" of the expense. "Nature" of marketing expenses, as set forth in the Gift Disclosure Law, means a description of the kinds of payments or benefits that were provided. Examples of nature of expenditures include cash, checks, honoraria, or other direct payments to physicians; payments of food and beverages; payments of lodging and other travel expenses; discounts, rebates and other payments that lower the price of pharmaceuticals; books; and other gifts.

The majority of the expenditures in FY 04 were cash and checks, which amounted to \$1.65 million, or 53%, of the total expenditures. Food amounted to \$603,142, or 19.4%, of the total. A category specified as "other" totaled \$527,878, or 17%. Donations amounted to \$225,768, or 7%.

Comparisons with FY 03 expenditures are not possible in this category, as the characterizations of the nature of expenditures differ in all categories except "food", which experienced a 16% increase in FY 04.

4. Payments by Purpose

Table 4 describes the expenditures in FY 04 by the "purpose" of the expense. The largest expenditure purpose category was discounts and rebates, which amounted to \$1,224,688, or 39.4% of the total. Expenditures on discounts and rebates increased 243% over the FY 03 amount, because some companies were not aware that the Gift Disclosure Law required them to report these amounts during FY 03. Education and speaker fees were the next two largest categories, with education fees totaling \$955,405, or 31% of the total, and speaker fees totaling \$436,639, or 14% of the total. Expenditures for education increased by 23% in FY 04 as compared to FY 03. This increase may be in part the result of less confusion in the reporting forms in this area. In FY 03, lack of standardization in the potential purposes for the payments led to a great deal of confusion. To mitigate this issue, in FY 04 companies were required to select among the following categories:

- Consulting
- Discounts and Rebates
- Education
- Marketing
- Speaker Fee or Payment, and
- Other.

As noted above, the Vermont Legislature clarified that discounts and rebates are not required to be reported, beginning on July 1, 2004. Therefore, it is expected

that this category of expenditure will drop dramatically, as will the overall reportable expenditures, in FY 05.

IV. Problems Noted in Current Reports and Recommendations for Corrective Action in Reporting Guidelines

The Attorney General makes the following two recommendations of changes to the Gift Disclosure Law.

1. Gift Disclosure Reporting Deadlines

Currently, manufactures are required to report information relating to gifts made in each fiscal year by the following January 1, and the Attorney General is required to submit his report about the disclosures by March 1. This past year the Attorney General's office received over 11,000 lines of data involving reportable gifts. Given the enormous amount of data, the need to ensure that all the data are timely and correct, and the desirability of creating a comprehensive and useful report, the Attorney General's office requires more than two months from the time the information is filed until the time the full report is due to the legislature.

Recommended action: the Vermont Legislature should require that information relating to gifts made during each fiscal year be reported by December 1 of that year. In addition, the Legislature should require that the Attorney General's report be submitted on April 1 of each year. These new deadlines would give the Attorney General an additional two months to ensure that all the data are submitted in a timely and accurate manner, and to ensure that the resulting report is comprehensive and useful.

2. Agent Reporting

The Gift Disclosure Law currently requires each company to report the name and contact information of its agent each year, whether or not the name and contact information has in fact remained the same. This annual reporting of the agent information has led to unnecessary administrative work.

Recommended action: the Vermont Legislature should require that companies submit an initial report of the agent's name and contact information, and thereafter only updates to changes in this information.

ATTACHMENT 1

Vermont's Pharmaceutical Marketing Gift Disclosure Law 33 V.S.A. § 2005. PHARMACEUTICAL MARKETERS

(a)(1) Annually on or before January 1 of each year, every pharmaceutical manufacturing company shall disclose to the office of the attorney general the value, nature, and purpose of any gift, fee, payment, subsidy, or other economic benefit provided in connection with detailing, promotional, or other marketing activities by the company, directly or through its pharmaceutical marketers, to any physician, hospital, nursing home, pharmacist, health benefit plan administrator, or any other person in Vermont authorized to prescribe, dispense, or purchase prescription drugs in this state. Disclosure shall include the name of the recipient. Disclosure shall be made on a form and in a manner prescribed by the office of the attorney general and shall require pharmaceutical manufacturing companies to report the value, nature, and purpose of all gift expenditures according to specific categories. The office of the attorney general shall report annually on the disclosures made under this section to the general assembly and the governor on or before March 1.

(2) Annually in the month of October, each company subject to the provisions of this section also shall disclose to the office of the attorney general, the name and address of the individual responsible for the company's compliance with the provisions of this section.

(3) The office of the attorney general shall keep confidential all trade secret information, as defined by subdivision 317(b)(9) of Title 1. The disclosure form shall permit the company to identify any information that is a trade secret.

(4) The following shall be exempt from disclosure:

- (A) free samples of prescription drugs intended to be distributed to patients;
- (B) the payment of reasonable compensation and reimbursement of expenses in connection with bona fide clinical trials;
- (C) any gift, fee, payment, subsidy or other economic benefit the value of which is less than \$25.00;
- (D) scholarship or other support for medical students, residents and fellows to attend a significant educational, scientific, or policy-making conference of a national, regional, or specialty medical or other professional association if the recipient of the scholarship or other support is selected by the association;
- (E) unrestricted grants for continuing medical education programs; and
- (F) prescription drug rebates and discounts.

(b) The attorney general may bring an action in Washington Superior Court for injunctive relief, costs, and attorneys fees, and to impose on a pharmaceutical manufacturing company that fails to disclose as required by subsection (a) of this section a civil penalty of no more than \$10,000.00 per violation. Each unlawful failure to disclose shall constitute a separate violation.

(c) As used in this section:

(1) "Approved clinical trial" means a clinical trial that has been approved by the U.S. Food and Drug Administration (FDA) or has been approved by a duly constituted Institutional Review Board (IRB) after reviewing and evaluating it in accordance with

the human subject protection standards set forth at 21 C.F.R. Part 50, 45 C.F.R. Part 46, or an equivalent set of standards of another federal agency.

(2) "Bona fide clinical trial" means an approved clinical trial that constitutes "research" as that term is defined in 45 C.F.R. § 46.102 when the results of the research can be published freely by the investigator and reasonably can be considered to be of interest to scientists or medical practitioners working in the particular field of inquiry.

(3) "Clinical trial" means any study assessing the safety or efficacy of drugs administered alone or in combination with other drugs or other therapies, or assessing the relative safety or efficacy of drugs in comparison with other drugs or other therapies.

(4) "Pharmaceutical marketer" means a person who, while employed by or under contract to represent a pharmaceutical manufacturing company, engages in pharmaceutical detailing, promotional activities, or other marketing of prescription drugs in this state to any physician, hospital, nursing home, pharmacist, health benefit plan administrator, or any other person authorized to prescribe, dispense, or purchase prescription drugs. The term does not include a wholesale drug distributor or the distributor's representative who promotes or otherwise markets the services of the wholesale drug distributor in connection with a prescription drug.

(5) "Pharmaceutical manufacturing company" means any entity which is engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription drugs, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, or any entity engaged in the packaging, repackaging, labeling, relabeling, or distribution of prescription drugs. The term does not include a wholesale drug distributor or pharmacist licensed under chapter 36 of Title 26.

(6) "Unrestricted grant" means any gift, payment, subsidy, or other economic benefit to an educational institution, professional association, health care facility, or governmental entity which does not impose any restrictions on the use of the grant, such as favorable treatment of a certain product or an ability of the marketer to control or influence the planning, content, or execution of the education activity.

Table 1

Ranking by Amount of Expenditure

Company	FY 04 Ranking	FY 03 Ranking
Merck & Co., Inc.	1	3
Amgen Inc.	2	14
GlaxoSmithKline	3	1
Forest Pharmaceuticals, Inc.	4	4
Eli Lilly and Company	5	6
Bristol-Myers Squibb Company	6	2
Aventis Pharmaceuticals	7	7
AstraZeneca	8	5
Pfizer Inc.	9	8
Wyeth Pharmaceuticals	10	10
Schering Corporation	11	15 ⁴
Novo Nordisk Inc.	12	25 ⁵
Boehringer-Ingelheim Pharmaceuticals Inc.	13	19
Takeda Pharmaceuticals America, Inc	14	24 ⁶
Sanofi-Synthelabo Inc.	15	20
Genzyme Corporation	16	Not ranked
Millennium Pharmaceuticals Inc.	17	22
McNeil Consumer & Specialty Pharmaceuticals *	18	23
TAP Pharmaceutical Products Inc.	19	16
Abbott Laboratories	20	28
Bayer Pharmaceuticals Corporation	21	30 ⁷
3M Pharmaceuticals	22	Not ranked
Ortho Biotech Products LP *	23	11
SERONO INC.	24	9
Reliant Pharmaceuticals Inc.	25	18
Novartis Pharmaceuticals Corporation	26	17
UCB Pharma Inc.	27	26
Janssen Pharmaceutica Products L.P. *	28	29
Procter & Gamble Pharmaceuticals Inc.	29	45
MGI PHARMA INC.	30	42
Cephalon Inc.	31	31
Organon USA Inc	32	33
Ortho-McNeil Pharmaceutical Inc. *	33	12
Sepracor Inc	34	45
Hoffmann-La Roche Inc.	35	32
Sankyo Pharma Inc.	36	13
Synergy Medical Education	37	Not ranked
Purdue Pharma L.P.	38	35
Allergan Inc.	39	21

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⁴ FY 03 listed as “Schering Plough Pharmaceutical Company.”

⁵ FY 03 listed as “Novo Nordisk Pharmaceuticals, Inc.”

⁶ FY 03 listed as “Takeda Pharmaceuticals North America, Inc.”

⁷ FY 03 listed as “Bayer HealthCare Pharmaceuticals.”

Company	FY 04 Ranking	FY 03 Ranking
Centocor Inc. *	40	37
Berlex Laboratories a unit of Berlex Inc.	41	36
Alcon Laboratories Inc.	42	Not ranked
Salix Pharmaceuticals Inc.	43	40
MedImmune Inc.	44	27
Daiichi Pharmaceutical Corporation	45	43
Baxter Healthcare Corporation	46	38 ⁸
Watson Pharmaceuticals Inc.	47	Not ranked
Axcan Scandipharm Inc.	48	Not ranked
Fujisawa Healthcare Inc.	49	34
Bioglan Pharmaceuticals Company n/k/a Quintiles Pharma Shell Company (Quintiles Transnational)	49	44
DENTSPLY Pharmaceutical	49	45
Dey L.P.	49	41
Gilead Sciences Inc.	49	45
ZLB Behring	49	Not ranked

* Indicates a Johnson and Johnson pharmaceutical company

FY 04 TOTAL	\$3,109,524	FY 03 TOTAL	\$2,466,363
Number of Companies	54	Number of Companies	51

⁸ FY 03 listed as “Baxter International, Inc.”

Table 1A

Ranking by Amount of Expenditure

(Johnson and Johnson subsidiaries combined)

Company	FY 04 Ranking	FY 03 Ranking
Merck & Co., Inc.	1	3
Amgen Inc.	2	13
GlaxoSmithKline	3	1
Forest Pharmaceuticals, Inc.	4	4
Eli Lilly and Company	5	6
Bristol-Myers Squibb Company	6	2
Aventis Pharmaceuticals	7	8
AstraZeneca	8	5
Pfizer Inc.	9	9
Wyeth Pharmaceuticals	10	11
Johnson & Johnson pharmaceutical company *	11	7
Schering Corporation	12	14 ⁹
Novo Nordisk Inc.	13	23 ¹⁰
Boehringer-Ingelheim Pharmaceuticals Inc.	14	18
Takeda Pharmaceuticals America, Inc	15	22 ¹¹
Sanofi-Synthelabo Inc.	16	19
Genzyme Corporation	17	Not ranked
Millennium Pharmaceuticals Inc.	18	21
TAP Pharmaceutical Products Inc.	19	15
Abbott Laboratories	20	26
Bayer Pharmaceuticals Corporation	21	27 ¹²
3M Pharmaceuticals	22	Not ranked
SERONO INC.	23	10
Reliant Pharmaceuticals Inc.	24	17
Novartis Pharmaceuticals Corporation	25	16
UCB Pharma Inc.	26	24
Procter & Gamble Pharmaceuticals Inc.	27	41
MGI PHARMA INC.	28	38
Cephalon Inc.	29	28
Organon USA Inc	30	30
Sepracor Inc	31	41
Hoffmann-La Roche Inc.	32	29
Sankyo Pharma Inc.	33	12
Synergy Medical Education	34	Not ranked
Purdue Pharma L.P.	35	32
Allergan Inc.	36	20
Berlex Laboratories a unit of Berlex Inc.	37	33
Alcon Laboratories Inc.	38	Not ranked
Salix Pharmaceuticals Inc.	39	36
MedImmune Inc.	40	25
Daiichi Pharmaceutical Corporation	41	39

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⁹ Listed in FY 03 as “Schering Plough Pharmaceutical Company.”

¹⁰ Listed in FY 03 as “Novo Nordisk Pharmaceuticals, Inc.”

¹¹ Listed in FY 03 as Takeda Pharmaceuticals North America, Inc.”

¹² Listed in FY 03 as “Bayer HealthCare Pharmaceuticals.”

Company	FY 04 Ranking	FY 03 Ranking
Baxter Healthcare Corporation	42	34 ¹³
Watson Pharmaceuticals Inc.	43	Not ranked
Axcan Scandipharm Inc.	44	Not ranked
Fujisawa Healthcare Inc.	45	31
Bioglan Pharmaceuticals Company n/k/a Quintiles	45	40
DENTSPLY Pharmaceutical	45	41
Dey L.P.	45	37
Gilead Sciences Inc.	45	41
ZLB Behring	45	Not ranked

* Includes Centocor, Inc., Janssen Pharmaceutica Products L.P., McNeil Consumer & Specialties Pharmaceuticals, Ortho Biotech Products LP, and Ortho-McNeil Pharmaceutical

FY 04 TOTAL	\$3,109,524	FY 03 Total	\$2,466,363
Number of Companies	50	Number of Companies	47

¹³ Listed in FY 03 as “Baxter International, Inc.”

Table 2

Recipients of Payments

Recipient Type	Amount	% of Total
Doctor	\$1,616,168.09	51.97
Hospital	\$1,064,422.81	34.23
Other Healthcare Provider	\$180,628.52	5.81
Clinic	\$149,360.25	4.80
Other Prescriber	\$60,641.90	1.95
University	\$18,360.09	0.59
Pharmacist	\$11,016.51	0.35
Unknown	\$8,925.84	0.29
Total Amount	\$3,109,524.	

Table 3 Nature of Payments

Nature	FY 04 Amount	% of Total	FY 03 Amount	% of Total
Cash or Check	\$1,649,279.26	53.04	Not itemized	
Food	\$603,142.26	19.40	\$518,032.62	21.00
Other	\$527,943.26	16.98	\$81,064.55	3.29
Donation	\$225,768.22	7.26	Not itemized	
Grant	\$49,260.84	1.58	\$72,445.00	2.94
Transportation	\$31,907.59	1.03	\$4,841.72	0.20
Book	\$17,341.27	0.56	\$22,071.34	0.89
Lodging	\$4,881.31	0.16	\$3,797.05	0.15
Fees, cash, checks, honoraria, donations	Not itemized		\$1,406,869.09	57.04
Discounts	Not itemized		\$357,242.00	14.48
FY 04 Total Amount	\$3,109,524.		FY 03 Total Amount	\$2,466,363.37

Table 4
Primary Purpose of Payment

Purpose	FY 04 Amount	% of Total	FY 03 Amount	% of Total
Discounts and Rebates	\$1,224,688.49	39.39	\$357,242.00	14.48
Education	\$955,605.30	30.73	\$777,743.80	31.53
Speaker Fee or Payment	\$489,051.73	15.73	\$292,422.85	11.86
Marketing	\$207,336.10	6.67	Not itemized	
Consulting	\$116,558.68	3.75	\$92,906.28	3.77
Other	\$114,283.71	3.68	\$103,182.05	4.18
Services	\$2,000.00	0.06	Not itemized	
Unclear	Not itemized		\$475,017.36	19.26
Detailing	Not itemized		\$364,055.03	14.76
Not disclosed	Not itemized		\$3,794.00	0.15
FY 04 Total Amount	\$3,109,524.01		FY 03 Total Amount	\$2,466,363.37