

# United States Senate

WASHINGTON, DC 20510

November 2, 2017

The Honorable Eric D. Hargan  
Acting Secretary  
U.S. Department of Health & Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Acting Secretary Hargan:

We are writing to thank you for your support for the Center for Medicare and Medicaid Services' Center for Program Integrity (CPI). CPI plays a critical role in conducting oversight, combatting fraud, and determining best practices within the Medicare and Medicaid programs. As part of your ongoing commitment to the mission of CPI, we encourage you to continue to prioritize funding and administration of the Open Payments database.

The bipartisan Physician Payments Sunshine Act (Sunshine Act) created the Open Payments database for drug and device company payments to doctors, which provides transparency on billions of dollars in gifts and payments from manufacturers to prescribers and hospitals. In doing so, the database helps patients evaluate the medical advice they are being given and better understand whether there is the potential for conflicts of interest. The need for this legislation became apparent after congressional oversight and several news reports explored industry payments to doctors, some of which potentially having undue influence over physician prescribing habits.<sup>1</sup>

Recent reports have raised concerns about the effect payments to health professionals may have on opioid prescribing practices, which in many ways has exacerbated this ongoing public health epidemic. Pending litigation against a fentanyl manufacturer has revealed instances of regular weekly contact with high-volume prescribers, in addition to a large number of total payments.<sup>2</sup>

Since the Open Payments database was launched in 2014, it has reported nearly \$25 billion in total payments that drug and device manufacturers make to physicians and teaching hospitals. Studies have shown that such payments can have an effect on doctors' prescribing habits—for example, whether they prescribe a name-brand drug or its generic alternative. The

---

<sup>1</sup> Ornstein, Charles. "Doctors Prescribe More Generics When Drug Reps Are Kept At Bay." NPR, 2 May 2017, [www.npr.org/sections/health-shots/2017/05/02/526558565/doctors-prescribe-more-generics-when-drug-reps-are-kept-at-bay?sc=tw](http://www.npr.org/sections/health-shots/2017/05/02/526558565/doctors-prescribe-more-generics-when-drug-reps-are-kept-at-bay?sc=tw).

<sup>2</sup> Stephen Stirling and Erin Petenko | NJ Advance Media for NJ.com. "Doctors Raked in Cash to Push Fentanyl as N.J. Death Rate Exploded." NJ.com, NJ.com, 3 July 2017, [www.nj.com/healthfit/index.ssf/2017/06/doctors\\_raked\\_in\\_cash\\_to\\_push\\_powerful\\_fentanyl\\_as\\_nj\\_death\\_rate\\_soared.html](http://www.nj.com/healthfit/index.ssf/2017/06/doctors_raked_in_cash_to_push_powerful_fentanyl_as_nj_death_rate_soared.html).

Sunshine Act does not penalize relationships between drug and device companies and doctors, and does not prohibit transfers of value from drug and device companies to doctors. It simply requires that those transfers be reported and made publicly available, increasing transparency and informing patients as they make health care decisions.

Many relationships between academic medicine and industry are necessary and beneficial. During program year 2016, there were 11.96 million total records attributable to 631,000 physicians and 1,146 teaching hospitals. Health care industry manufacturers reported \$8.18 billion in payments and ownership and investment interests to physicians and teaching hospitals. However, some financial relationships influence prescribing and drive up costs. The Sunshine Act has substantially improved our ability to determine whether and how industry is able to influence physicians through payments – for example, whether they choose to prescribe brand drugs or less expensive generic alternatives.

The Open Payments database enjoys wide industry and public interest group support, from members of the drug and device industry as well as key non-profit stakeholders including the Pew Charitable Trusts, AARP, and Consumers Union. We thank you for your demonstrated commitment to CPI, and encourage you to continue to prioritize the timely collection and disclosure of data within the Open Payments database that has made the Sunshine Act a success.

Sincerely,



CHARLES E. GRASSLEY  
United States Senate



RICHARD BLUMENTHAL  
United States Senate