

Public reporting of physicians' financial relationships with drug and device manufacturers, hospitals, and ASCs

ISSUE: The healthcare system depends on physicians to recommend which drug, medical device, ambulatory surgical center (ASC), or hospital a patient should use. However, physicians may have financial relationships with drug and device manufacturers, hospitals, and ASCs that could compromise their independence and objectivity. Payers, plans, patients, and the general public are often not aware of these potential conflicts of interest.

KEY POINTS: According to physician surveys and legal cases, financial relationships between physicians and pharmaceutical and device manufacturers are pervasive. Although such relationships can lead to advances in medical technology and better patient care, they may also create conflicts between physicians' obligation to do what is best for their patients and the commercial interests of manufacturers. Some states have enacted laws requiring pharmaceutical companies to report their financial relationships with physicians. However, these laws do not apply to device manufacturers and the information collected is not easily available to the public.

The number of physician-owned specialty hospitals more than doubled from 2002 to 2006. The number of ASCs—most of which have at least some physician ownership—grew by over 60 percent from 1999 to 2006. Although hospitals and at least some ASCs must disclose to patients if they are owned by physicians, this information is not available to payers, plans, and researchers.

ACTION: Commissioners should provide feedback on the tone and content of this chapter, to be included in the June 2008 report.

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