



March 3, 2021

The Honorable Deb Patterson Chair, Senate Committee on Health Care
900 Court St. NE
Salem OR 97301

RE: Support for SB 763

Dear Chair Patterson and members of the Senate Committee on Health Care,

Kaiser Permanente is pleased to support SB 763, commonsense legislation that would help instill a culture of ethics and evidence-based prescribing in Oregon by requiring pharmaceutical sales representatives to register with the Department of Consumer and Business Services. To register, sales representatives would need to comply with ethical standards and submit reports to increase transparency over drug marketing practices across the state.

The impact of pharmaceutical industry marketing practices on prescribing and drug spending are once again in the spotlight due to landmark litigation against opioid manufacturers. For example, the OxyContin litigation revealed that Purdue Pharma's sales representatives used a range of tactics with physicians to encourage prescribing of high doses for longer periods of time, despite knowing the risks for patients. Physicians who were least likely to have expert knowledge about opioid products were targeted to increase prescribing. Known risks of abuse and addiction were downplayed, while the benefits of OxyContin were exaggerated. OxyContin sales ultimately exceeded \$35 billion, generating profits for manufacturers while patients and their families suffered the consequences.

Given the significant influence pharmaceutical sales representatives can have over prescribing¹, more transparency and oversight of this profession is warranted. Policymakers and the public generally have little insight into how drugs are marketed beyond the advertisements they see on television. While direct-to-consumer advertisements for drugs have gotten the most attention, the industry actually spends more money on other forms of marketing. For example, pharmaceutical companies spent \$20 billion on marketing in 2016, the vast majority of which (approximately \$18.5 billion) was related to sales representatives and samples.²

The pharmaceutical industry devotes substantial resources to marketing because it is an effective tool for selling more drugs. But marketing goals can conflict with what's best for patients and make keeping drug spending under control. Indeed, the goal of pharmaceutical marketing is to increase revenue on the drug, which can create incentives to divert from the evidence to drive-up sales or promote higher price drugs when more affordable, equally effective options are available.

At Kaiser Permanente, we have long recognized the impact pharmaceutical marketing can

¹ Fickweiler, F. et al. (August 2017). Interactions between Physicians and the Pharmaceutical Industry Generally and Sales Representatives Specifically and Their Association with Physicians' Attitudes and Prescribing Habits: A Systematic Review. *BMJ*. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5623540/>; Manchanda, P. & Honka, E. (2005). The Effects and Role of Direct-to-Physician Marketing in the Pharmaceutical Industry: An Integrative Review. *Yale Journal of Health Policy & Ethics*. Available at: <https://www.ncbi.nlm.nih.gov/pubmed/16052900>

² Schwartz, L. & Woloshin, S. (January 2019). Medical Marketing in the United States, 1997-2016. *JAMA*. Available at: https://jamanetwork.com/journals/jama/fullarticle/2720029?alert=article&utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top

have on prescribing decisions and affordability. As a result, we limit interaction between our clinicians and pharmaceutical sales representatives as part of our commitment to evidence-based medicine. In Oregon, sales representative access to our facilities to promote drugs is very limited. Instead, we provide internal detailing and education to Kaiser Permanente clinicians led by physicians and pharmacists in our system who have expertise about prescription drugs. This helps us ensure that our clinicians rely on unbiased evidence about different treatment options. We believe these best practices help contribute to both affordability and high-quality care.

Kaiser Permanente applauds the Senate Health Care Committee for considering SB 763. Similar policies are already law in major cities like Washington, D.C. and Chicago. Ensuring that sales representatives meet basic requirements, adhere to a code of ethics, and disclose high-level information about their interactions with providers would also reveal important information and build a valuable foundation for future work on this topic.

Sincerely,

Sean Jones MD
Department of Internal Medicine
Past-Physician Director, Regional Formulary and Therapeutics Committee