Dynamic Chiropractic

HEALTH & WELLNESS / LIFESTYLE

Medical Payola (Part 1)

THE INCREASINGLY SUSPECT RELATIONSHIP BETWEEN MDS AND THE PHARMACEUTICAL / SURGICAL INDUSTRY.

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In the 1960s, radio disc jockeys were bribed to play particular records in a scandal known as "payola." Fast forward 50 years to a recent Senate investigation that found extensive corruption with most medical physicians who were generously paid by Big Pharma to use or promote their brand-name drugs in a multi-million-dollar bribery scheme.

Reminiscent of these old radio days, this medical payola, dubbed "pharmapayola," is now widespread, with 84 percent of doctors admitting to a financial relationship with the drug industry between 2004 and 2009.[1] In all, payments from drug companies to doctors totaled more than $760 million between 2009 and the second quarter of 2011.[2] Considering there were 985,375 physicians in the U.S. in 2010,[3] this payola equates to nearly $1,000 per doctor.

Although medical doctors are still among the best-compensated professionals in the U.S., apparently some feel remorse about their job choice because they see their peers in finance or business making far more than they do, said Howard Forman, a professor at the Yale School of Management. Only 54 percent of physicians say they'd pick medicine if they had the chance to choose their career path all over again.[4]

"Physicians have not gotten poorer over the last decade. But more and more you're witnessing physicians who feel they could have done better if they had done something different," stated Forman.[5]

According to the Medical Group Management Association, primary care physicians received total median annual compensation of $202,392 in 2010, and physicians practicing in medical specialties received total median annual compensation of $356,885.[6]

Perhaps this "remorse" is justification in the minds of MDs to indulge in payola from Big Pharma. When they realize drug reps may make more money than many MDs, a sense of entitlement may motivate them to accept the payola from drug companies as "just reward." Indeed, it's a slippery slope when laced with tons of money.

This pharmapayola escalation of narcotics has gotten the attention of Thomas Frieden, MD, the director for the Centers for Disease Control and Prevention, who recently commented about "the burden of dangerous drugs." Considering one in 20 U.S. adults is now addicted to prescription narcotics, he said physicians have supplanted "drug pushers on the street corners" as the most important suppliers of illicit narcotics.[7]

Prescription painkiller addiction is a problem that's only getting worse, reports the Associated Press after analyzing a slew of DEA and pharmaceutical figures. The report focuses on sales of America's leading two prescription painkillers: oxycodone (the key ingredient in OxyContin, Percocet, and Percodan) and hydrocodone (Vicodin, Norco, and Lortab).[8] Among the more stunning findings:

- Between 2000 and 2010, oxycodone sales jumped *sixteenfold* in some areas.
- There were 14,800 overdose deaths from opioid painkillers (that includes oxycodone and hydrocodone) in 2008; the CDC expects the toll to keep rising.
- In 2010, pharmacies doled out the equivalent of 69 tons of pure oxycodone and 42 tons of pure hydrocodone; that's enough to give 40 5-mg Percocets and 24 5-mg Vicodins to every single U.S. resident.

According to one drug rep, "medical doctors have financially raped an entire nation with runaway health care fraud and deceptive money-funneling operations."[9] Indeed, a dishonest disc jockey is nowhere near as dangerous as MDs who are "on the take" in this era of astonishing costs and rampant abuse of dangerous drugs.

Big Pharma bribing doctors has also gotten the attention of the Justice Department, resulting in at least $10 billion in settlements with the federal government. The largest settlement occurred with GlaxoSmithKline's recent $3 billion fine and guilty plea to committing felony crimes. Abbott Laboratories settled for $1.6 billion and an agreement with Johnson & Johnson could result in a fine of $2 billion.[10]

Despite the $3 billion settlement, it represents only a drop in the bucket of what GSK made on those drugs. Avandia, for example, racked up $10.4 billion in sales, Paxil brought in $11.6 billion, and Wellbutrin sales were $5.9 billion during the years covered by the settlement.

"So, a $3 billion settlement for half a dozen drugs over 10 years can be rationalized as the cost of doing business," suggested Patrick Burns, spokesman for the whistle-blower advocacy group Taxpayers Against Fraud.[11]

Doling for Dollars

Not only has drug money tempted doctors to overprescribe expensive name-brand medications; 28 percent of physicians reported they received "honorariums" of up to $6,000 a day from a drug company to serve on a speaker's board, as a consultant or on an advisory board.[12] GlaxoSmithKline alone had a speaker's bureau network of 49,000 paid speakers who knowingly accepted kickbacks and bribes to push GSK products in the form of "medical education."[13]

"The notion that this is all for physician education is nonsense," said Dr. Jerome P. Kassirer, a professor at Tufts University School of Medicine. "One important question: why would the drug industry spend so much money on advertising if they didn't think they were influencing physicians?"[14]

Drug companies spent at least $220 million in 2010 on speaking fees to doctors who endorsed their products.[15] Other gifts doled out by drug companies included free tickets to sporting events, spa treatments, hunting excursions, meals at five-star restaurants, and all-expenses-paid trips to medical meetings in exotic locations in Jamaica and Bermuda.[16]

Original Sin: Tobacco

This pharmapayola scandal is not the first time the medical profession has been linked to corruption. Long before Big Pharma lured physicians into its web of drugs, the origins of medical payola began in 1930 when the AMA accepted advertisements from the tobacco industry.

Yes, you heard me right: the medical profession jumped in bed with the biggest killer mankind has ever seen since the Medieval plagues or the Spanish flu epidemics. In 1930, under the leadership of Morris Fishbein, MD, executive director and senior editor of the prestigious *Journal of the American Medical Association*, the AMA partnered with the tobacco industry to finance its war chest against chiropractors/competitors and to influence politicians and the media.

This illicit marriage made the AMA rich beyond imagination as a trade association, making it the most powerful lobby in the world. *Harper's Magazine* described in 1949 that tobacco money initially transformed the AMA from a "panty waist" organization that promoted education and research into "the most terrifying trade association on earth."[17]

Under Fishbein's reign, the AMA allowed the image of physicians in cigarette ads in *JAMA* as well as in public advertisements.[18] In 1948, the journal netted a non-taxable $1.4 million from total revenue of $5.166 million that included $4.858 million from tobacco advertising.[19]

Imagine the millions of Americans (especially the "Greatest Generation" of WWII) who became addicted to tobacco and afflicted with lung cancer and heart disease, all with the encouragement of the AMA. After all, if your doctor smokes, it must be OK for you, too.

The AMA continued to mislead Americans about the danger of tobacco until 1986, when public pressure forced the association to divest itself from all ties with tobacco due to the growing evidence of diseases caused by tobacco smoking. However, the AMA didn't blink an eye at this loss of revenue, since it turned to Big Pharma to replace Big Tobacco as its primary payola advertiser.

Capitol Handouts

Considering the monies at stake in the U.S. health care system, influencing Congress has been foremost among the medical cartel. Of all places, money speaks loudest on Capitol Hill. One obvious example of medical *payola* was the absence of medical executives on Capitol Hill when the Obama health care reform began.

Unlike the Detroit auto executives and Wall Street bankers, whose feet were held to the fire during Congressional hearings to explain why their industries failed, not one member of the medical cartel - the AMA, Big Insurance, Big Pharma and Big Hospitalists - was called to explain why America has the most expensive health care system on Earth, yet Americans lead the world in every category of disease.

In reality, medical payola extends deeply into Capitol Hill with the same *quid pro quo* arrangement. The following information obtained from OpenSecrets.org shows the huge amount of money spent on lobbying over a 10-year period (1999-2008):

- American Medical Assn.: $208,472,500
- American Hospital Assn.: $172,940,431
- Pharma: $154,533,400
- Blue Cross / Blue Shield: $120,491,385

This decade of payola by these four members of the medical cartel adds up to $656,437,716. Considering there are 535 members of Congress, this equates to $1,226,986 per member. And the obvious question is: how do trade associations like the AMA and AHA generate so much money?

Paid to Get Screwed

According to Mark Schoene, the editor of *The BACKLETTER*, "Spinal medicine in the U.S. is a poster child for inefficient spine care."[20] He might have added the queen of corruption, too, as another investigation by the Senate Committee on Finance revealed how the practice of spine medicine has been further corrupted by conflicts of interest involving doctors tempted by surgical device companies; and how medical journals were complicit with this latest scam by publishing articles edited by medical researchers on the take.

Medtronic Inc., the biggest maker of spinal implants (screws, rods and clamps) generated worldwide sales of $3.5 billion in 2009, accounting for half of the roughly $7 billion spinal-implant market.[21] Among other surgical devices, Medtronic manufactures pedicle screws required for spine fusions that sell for $1,000 to $2,000 apiece.

"You can easily put $30,000 worth of hardware in a person during a fusion surgery," according to Charles Rosen, a spine surgeon who created a group called the Association for Medical Ethics to combat what it sees as conflicts of interest in spine surgery.[22]

According to *The Wall Street Journal*'s analysis of Medicare claims, spinal fusion procedures cost Medicare $343 million in 1997, escalating to $2.24 billion in 2008, nearly a 400 percent increase.[23] The most complex type of back surgery among Medicare beneficiaries with spinal stenosis increased dramatically, with a 15-fold increase from 2002 to 2007.[24]

These device companies entered into partnerships with surgeons and paid them "dividends" based on the number of surgeries they performed. *Dividends* is the industry term for kickbacks. For example, the *WSJ* article revealed that Dr. Kevin Foley, at Memphis's Methodist University Hospital, has had royalty agreements with Medtronic since 1996. The company paid him more than $27 million from 2001 to 2006, according to internal Medtronic documents reviewed by the *Journal*. On its website, the company discloses paying him another $13 million in royalties in the first three quarters of 2011 alone.[25]

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