

13/102
D13/1455

Ms Christine McDonald
Secretary
Standing Committee on Finance and
Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600



AUSTRALIAN MEDICAL
ASSOCIATION
ABN 37 008 426 793

T | 61 2 6270 5400
F | 61 2 6270 5499
E | info@ama.com.au
W | www.ama.com.au

42 Macquarie St Barton ACT 2600
PO Box 6090 Kingston ACT 2604

Dear Ms McDonald

**Inquiry into the Therapeutic Goods Amendment (Pharmaceutical
Transparency) Bill 2013**

Thank you for your invitation of 25 March 2013 to provide a written submission to the inquiry into the *Therapeutic Goods Amendment (Pharmaceutical Transparency) Bill 2013* (the Bill).

It is important for patients to know if their treating medical practitioner has an interest in the treatment they are recommending. Patients need to make well-informed decisions about their healthcare that includes taking account of their healthcare provider's involvement with pharmaceutical companies. This is enshrined in medical practitioner regulation in Australia.

The Medical Board of Australia *Good Medical Practice: A Code of Conduct for Doctors in Australia* requires medical practitioners to inform their patients about interests that could, or be perceived to, affect patient care (section 8.11). Serious or repeated failure to meet these professional standards can have consequences for medical practitioner registration.

It is equally important to recognise that interactions between medical practitioners and pharmaceutical and medical companies are a necessary and legitimate part of ensuring that patients have access to new and improved medicines, treatments and medical devices that save lives and improve the quality of life for Australians with illness.

Australians enjoy world class health care because medical practitioners are actively engaged in the development of, and fully informed about, new or improved medicines, treatments and devices. Australian medical practitioners' engagement with international colleagues and experiences improve patient outcomes in Australia. Industry sponsorship is an important element in assisting these activities to take place.

By its very nature, the Bill provides the perception that the interactions between medical practitioners and pharmaceutical companies are not legitimate. If passed the Bill will make particular interactions illegal. The AMA contends that the primary concerns that patients have about these interactions is that they should be transparent to them when they are making decisions about their healthcare – not that the interactions should be made unlawful.

At another more subtle level the Bill seeks to regulate medical practitioners by requiring the publication of information about their interactions with pharmaceutical companies. The AMA cannot support this defacto regulation of the medical profession.

There is no need, nor it is appropriate to regulate pharmaceutical industry conduct in their interactions with medical practitioners.

First, one half of the equation – medical practitioner professional conduct – is already regulated under the *Health Practitioner Regulation National Law 2009 (Qld)* by the Medical Board of Australia.

Second, the other half of the equation – pharmaceutical industry conduct – is governed by industry codes of conduct that have already been proven to modify interactions. The Australian Competition and Consumer Commission (ACCC) is the appropriate regulatory body, and has been overseeing and managing this process on an ongoing basis.

More recently, the Australian Government provided \$1.4m over four years in the 2012-13 Budget to assist the therapeutic goods industry to develop strong, consistent and enforceable codes of conduct. The AMA is a member of the Therapeutic Goods Administration (TGA) Codes of Conduct Advisory Group.

The ACCC has given Medicines Australia two years to improve transparency of payments and sponsorship made by pharmaceutical companies to individual healthcare practitioners. The AMA is a member of the Medicines Australia Transparency Working Group, which is developing a framework for public reporting of payments to individual health practitioners by its member companies.

An important part of the doctor-patient relationship is the ability for the medical practitioner and the patient to be able to discuss the treatment options and all of the relevant factors that contribute to that decision-making. In this process, medical practitioners have a duty to disclose and can explain sponsorship they have received from industry and the specific relevance to individual patients' clinical circumstances and treatment options.

Any method to make information about sponsorship provided to individual medical practitioners public may be useful to patients in making informed decisions about their healthcare, but only if it provides the same information that would be provided by their treating medical practitioner.

It is important to ensure that the publication of this information enables patients to actively participate in the decision-making, and does not have perverse and unintended consequences in the way patients choose their doctor. The conversations of the Medicines Australia Transparency Working Group are critical to the design and implementation of any public register.

The ACCC process should be allowed to play out in order to:

- ensure that any public register is designed to provide patients with access to useful information that is relevant to their healthcare decisions;
- evaluate how patients access and use the information;
- measure the cost of public reporting against the benefits to patients; and
- revise the reporting arrangements if required.

If passed, the Bill will circumvent all of the work done to date by industry and Government agencies to progressively and systematically improve industry conduct and transparency.

The TGA Codes of Conduct work should also progress unimpeded by a legal precedent.

On a final note, the Bill is limited in its focus. If it was a genuine attempt to safeguard patients and maintain the integrity of Australia's health system and the sustainability of health expenditure, it would apply to all health practitioners and all industry organisations involved in the sale or promotion of health related products.

I would be happy to assist the Committee with further information if required. Please contact Georgia Morris on 02 6270 5466 or gmorris@ama.com.au in the first instance.

Yours sincerely

Dr Steve Hambleton
President

18 April 2013

sh:gm