

U surgeon's fees face new scrutiny — from payer

Medtronic critical of billing; conflicts of interest also probed

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It's nice work if you can get it: \$1,750 to talk shop at dinner; \$42 for making a five-minute phone call; \$125 to spend 15 minutes on some e-mail.

When your pay rate is \$500 an hour, the money adds up.

Welcome to the world of Dr. David Polly, the University of Minnesota spine surgeon who received nearly \$1.2 million in consulting fees from medical device giant Medtronic over a five-year period.

Details of Polly's billing records were released this week by Sen. Charles Grassley, R-Iowa, as an attachment to a letter to University of Minnesota President Robert Bruininks. The letter raised questions about how the U polices conflicts of interest among doctors.

And on Thursday, Fridley-based Medtronic — the world's largest maker of products used in spine surgery — said it was asking some questions, too.

"We are investigating specific charges for which Dr. Polly billed us and determining whether or not they fit our standards and policies, and if newly enhanced standards are required," spokesman Steve Cragle said in a prepared statement.

John Lundquist, an attorney for Polly, said his client was compensated at a market rate. His practice of charging for time spent on dinner meetings, phone calls and e-mails was consistent with his consulting agreement, Lundquist said, adding that the company reviewed all — and approved most — of the bills that Polly submitted.

"Compensation is based on the experience and stature of the consultant,"

Lundquist said. "Device companies are careful to calibrate rates to fair market value, and that is what was done in Dr. Polly's case."

Cragle said the company would not comment on Polly's line-by-line billing, except for a \$2,000 charge in 2006 related to a four-hour visit by current chief executive Bill Hawkins to the operating room at Fairview Riverside Medical Center.

"Mr. Hawkins makes regular visits to observe the use of company products to better understand how our therapies are used in clinical practice for the benefit of patients and in this case was unaware that Medtronic would be billed," Cragle said.

The U and its oversight of Polly's potential conflicts of interest emerged this week as exhibit A in Grassley's ongoing probe of the financial ties between the medical device industry and physicians. It's an inquiry that's being followed closely in the Twin Cities, home to one of the nation's largest clusters of medical device companies.

For Polly, the disclosures have prompted more scrutiny less than a year after he was one of dozens of spine surgeons who found themselves defendants in a whistleblower lawsuit that accused the physicians of taking Medtronic money in exchange for using company products during surgery. That lawsuit — dismissed earlier this year — provided one of the first glimpses into exactly how much money Medtronic's physician consultants can make.

Grassley's disclosure this week filled out the picture by providing more details. Between 2003 and 2007, Polly accumulated nearly \$1.2 million in payments for consulting plus \$47,288 in expenses and \$1,000 in honoraria, according to documents from Grassley.

The consulting work included an Aug. 29, 2006, dinner that began at 6:30 p.m. and ended at 10 p.m. and featured work by Polly and three Medtronic officials on "misc topics," according to the billing records. Polly's fee for the encounter: \$1,750.

A few days later, Polly phoned one of those dinner companions and spent five minutes discussing "misc topics," generating a bill of \$42. Some of the doctor's work came during early-morning hours: On one day in April 2006 he billed more than \$1,000 for work performed before 7 a.m.

During the fourth quarter of 2006, Polly's hourly rate increased to \$593.75, so subsequent bills for five-minute calls jumped to \$49.48.

Polly billed Medtronic \$500 for a 2005 meeting with U.S. Rep. Betty McCollum, D-St. Paul, that lasted 60 minutes. They talked about research and improving care for soldiers, said chief of staff Bill Harper. In 2006, Polly billed \$125 for time spent on e-mail about economic analysis for spine care to Dr. Reed Tuckson, a top medical official with Minnetonka-based UnitedHealth Group.

Attorney Lundquist said such communications are beneficial and not unusual.

"Dr. Polly has conferred with many individuals interested in new therapies, as well as the treatment of injured veterans," Lundquist said. "He would frequently speak about his research, much of which dealt with Medtronic products."

Mark Duval, a Minneapolis attorney who works with device companies on regulatory matters, said Polly's detailed billing — down to five-minute increments — is exactly the sort of attention to detail that companies like to see, in case they are asked by the government to explain their payments. Work during early-morning hours and through extended dinners is common for top surgeons who work with manufacturers, Duval said.

"He's a really great consultant, and great consultants get used heavily by industry," Duval said. "That's a big number at the end of the year, and that's not unusual at all for a top-notch consultant."

Duval acknowledged, however, that to the general public the sums earned by Polly might look "gargantuan." Dr. Charles Rosen, a spine surgeon in California who leads a medical ethics group, said he was among those surprised by the details.

"I've not seen anybody bill the way he did," said Rosen, of the University of California-Irvine, who acknowledged that he doesn't do paid consulting work with the device industry.

"In my opinion, it sounds more like an investment banker," he said of the detailed billing. "It doesn't sound like someone in medicine."

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From invoices submitted to Medtronic by Dr. Polly:

- Download CDs from meeting, 15 minutes, \$125
- Dinner meeting, 240 minutes, \$2,000
- E-mail Medtronic employee, five minutes, \$49.48
- Conference call, 90 minutes, \$890.63
- Teach at scoliosis meeting, 330 minutes, \$2,750