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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*
KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

May 4, 2011

Via Electronic Transmission

Michael D. Maves, M.D.
Executive Vice President and Chief Executive Officer
American Medical Association
515 North State Street
Chicago, IL 60654

Dear Dr. Maves:

In December 2009, I asked for an accounting of industry funding that the American Medical Association (AMA) receives from pharmaceutical and medical device companies as well as foundations established by these companies or the insurance industry. I appreciate your response, which I have attached to this letter. I write today to follow up on any efforts by your organization to improve transparency and accountability in its relationships with the pharmaceutical and device industries.

As I stated in my previous letter, I started my inquiry, in part, as a result of accounts documenting the lack of transparency in financial relationships between the pharmaceutical industry and nonprofit health and medical organizations. Specifically, I cited the April 2008 article in *The Wall Street Journal*, which reported that industry representatives, including ten major drug companies, had formed a coalition to promote looser restrictions on off-label marketing.¹ The coalition had asked the National Alliance on Mental Illness (NAMI) to speak in favor of this issue.

In response to my concerns in my April 2009 letter to NAMI, NAMI began to voluntarily disclose to the public any amount of funding exceeding \$5,000 that it received from pharmaceutical companies and foundations on its website. Further, NAMI began to provide a brief description of the purpose of the funding on its website. I commend NAMI for its leadership and had hoped that when I reached out to your organization and 32 others, your organization would follow NAMI's example and begin posting similar funding information on AMA's website.

As of the date of this letter, it appears that no additional information regarding your organization's industry funding has been posted on the AMA's website. If AMA is currently taking steps to enhance the transparency of its financial relationships with the pharmaceutical

¹ Alicia Mundy, "Off-Label Use of Drugs Gets a Push --- Big Pharma Lobbies Washington to Relax Rules on Marketing," *The Wall Street Journal*, April 18, 2008.

and device industries, I would appreciate information regarding those steps. If not, please explain why your organization does not support the disclosure of funding it receives from pharmaceutical and device companies.

The Medicare Payment Advisory Commission (MedPAC) recommended in a report to Congress in March 2009 that Congress require that pharmaceutical and device companies report their financial relationships with physician groups, patient organizations, and others. More specifically MedPAC said the following:

Given the potential benefits of public reporting, we recommend that the Congress mandate the reporting of comprehensive information on industry relationships with physicians and other health care entities and that the Secretary post this information on a public searchable website.²

MedPAC then went on to say in Recommendation 5-1 that:

The Congress should require all manufacturers and distributors of drugs, biologicals, medical devices, and medical supplies (and their subsidiaries) to report to the Secretary their financial relationship with:...physician groups and other prescribers...patient organizations; and professional organizations.³

I look forward to working with you and other health and medical organizations to further increase sunshine on financial relationships.

Thank you for your cooperation and attention in this matter. I would appreciate a response by May 25, 2011. If you have any questions, please do not hesitate to contact Brian Downey for the Committee on the Judiciary at (202) 224-5225.

Sincerely,



Charles E. Grassley
Ranking Member

Attachments

² Medicare Payment Advisory Commission, "Public reporting of physicians' financial relationships," Report to Congress: Medicare Payment Policy, March 2009.

³ *Id.*



Michael D. Maves, MD, MBA, Executive Vice President, CEO

December 23, 2009

Charles E. Grassley
Ranking Member
United States Senate
Committee on Finance
Washington, DC 20510-6200

Dear Senator Grassley:

On behalf of the American Medical Association (AMA), I am responding to your December 7, 2009 inquiry about "industry funding that pharmaceutical, medical device companies, foundations established by these companies or the insurance industry" have provided to the AMA from January 2006 to the present.

The AMA believes transparency and protections against conflicts of interest can be established without inhibiting productive relationships that can improve medical knowledge and care. For the past decade, the AMA has annually, including for the period covered by your inquiry, disclosed to all member organizations of the AMA's House of Delegates all grants and donations received by the AMA during the respective annual period. A formal written report by the AMA's governing body, the Board of Trustees, is presented to the House of Delegates at each Annual Meeting of delegates. Attached are copies of those reports presented to the delegates, which list each grant or donation received by the AMA since January 1, 2006 and identify the source (without limitation to pharmaceutical, medical device, insurance companies, or related foundations) and the purpose for each grant or donation, including the dollar amount. The detail in these reports responds fully to your requested accounting and in the desired format. The attached reports are reflected in the official proceedings of the AMA House of Delegates' Annual Meetings and have been accessible on the AMA's publicly accessible web site [the most recent report is accessible at www.ama-assn.org/ama1/pub/upload/mm/475/finalhandbook.pdf (p. 971)]. A similar report covering the current year will be prepared for presentation at the next Annual Meeting of delegates in June 2010.

The AMA Foundation and the AMA Alliance, both of which are legally separate entities with their own governing bodies and managements/staff, are not encompassed within this response to your inquiry although both entities are authorized to use the AMA name and both purchase

administrative support services from the AMA. Each entity discloses a substantial amount of information publicly about their respective operations and funding, which can be accessed at their respective web sites, www.amafoundation.org and www.amaalliance.org. Amounts received by the AMA from the AMA Foundation are included in the attached copies of annual reports of grants and donations presented to the AMA House of Delegates.

The following are responses to your questions regarding the AMA's policies for accepting industry funding and the disclosure requirements of our top executives and Board members since January 2006.

- 1) Please describe the policies for accepting industry funding and whether or not AMA allows companies to place restrictions or provide guidance on how funding will be spent.*

For over a decade, the AMA has had formal written guidelines governing relationships with corporations and other entities (including, but not limited to, those specified in your inquiry). A copy of those guidelines is attached. The attached guidelines explain current AMA policies for accepting industry funding. These guidelines are reviewed periodically (including by the AMA House of Delegates) to assure continued adequacy.

The AMA does not allow companies to provide guidance on how industry funding will be spent. The attached guidelines specify that external funding may not influence AMA policies, priorities and actions. The AMA proactively chooses its priorities for external relationships and only accepts funding if doing so will not pose a conflict of interest or affect the AMA's objectivity, including the AMA's retaining editorial control over any projects or products bearing the AMA name or logo. A restriction that external funding will be used only for a specified purpose in accordance with the attached guidelines is acceptable.

- 2) If AMA allows companies to place restrictions on industry funding, then please explain all restrictions and/or guidance for each transfer of value from industry. For every transfer of value with a restriction, please provide the following information: year of transfer, name of company, and restriction placed on funding.*

See response to (1) above.

- 3) Please explain what policies, if any that AMA plans to adopt to ensure transparency of funding in order to provide a greater public trust in the independence of your organization.*

Existing AMA policies provide transparency of industry funding. Grants and donations received from industry (including pharmaceutical, medical device and insurance companies and related foundations) are listed on the attached copies of annual reports of grants and donations presented to the AMA House of Delegates.

4) Please explain your policies on disclosure of outside income by your top executives and board members.

The AMA requires its top executives and members of its Board of Trustees to annually complete a disclosure form designed to assure compliance with the AMA's conflict of interest policies. Copies of the disclosure form and conflict of interest policy are attached. A review of the completed disclosure forms during the period of your inquiry confirms the absence of any relationships with pharmaceutical or medical device companies or foundations established by them. Similarly, no relationships with national health insurers were reported (currently, one of the twenty-one members of the AMA Board of Trustees is a director of a mutual liability insurance company associated with a state medical society; in prior years during the period of your inquiry no more than three of the twenty-one directors, at that time, had a similar relationship).

5) Please provide the disclosures of outside income filed with your organizations by your top executives and board members.

The AMA does not receive disclosures of outside income by top executives and Board members. The AMA's top executives and Board members are required to comply with the AMA's conflict of interest policies, as mentioned above.

In order that you may fully appreciate the context in which the information above has been provided, the AMA has published annual reports describing the breadth of its activities. Copies of the 2006-2008 reports are attached. These reports present the AMA's overall operating results by product line and group. The AMA's principal revenue sources include: [i] membership revenues (dues paid solely by individual physician or medical student members); [ii] revenues from publication of AMA journals (subscriptions, advertising, site licensing, reprints, electronic licensing, and royalties); [iii] sales of AMA-published books, affinity products and reimbursement products; [iv] licensing of AMA's proprietary database products; [v] educational offerings presented by the AMA; and [vi] commissions from the sale of insurance products by the AMA's subsidiary insurance agency.

While the specifics of particular transactions with AMA's customers are proprietary and confidential, companies within the pharmaceutical, medical device or insurance industries are among those which do purchase or license AMA products or services. Revenues from these transactions do not constitute grants or donations but result from arms-length transactions on commercially competitive terms. As examples: a subsidiary of a national health insurance company purchases and then resells certain AMA publications; pharmaceutical and medical device manufacturers purchase reprints of articles, which appeared in AMA peer-reviewed scientific publications; and the AMA's subsidiary insurance agency earns commissions from insurance companies resulting from the sale of life, disability or other types of insurance products offered by those companies. Also, licensees of AMA's proprietary database products

Charles E. Grassley
December 23, 2009
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[none of which licensees are themselves pharmaceutical, medical device or insurance companies] make available those database products to a large number of end users in a broad range of industries, which include pharmaceutical, medical device or insurance companies.

The AMA participates in the activities of a wide range of other organizations (in which pharmaceutical, medical device, or insurance companies or their related foundations may also participate). Except as disclosed in the attachments to this response or referenced above, these activities do not result in revenues or grants and donations to the AMA.

The AMA is pleased to provide you with above information and attached documents in response to your inquiry. Please do not hesitate to contact me if you are in need of additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Maves", written in a cursive style.

Michael D. Maves, MD, MBA

Attachments

Charles E. Grassley
December 23, 2009
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Blind copied recipients (with attachments): Members of BOT EXCOM and Senior Management Team

REPORT OF THE BOARD TRUSTEES

B of T Report # - A-07

Subject: 2006 Grants and Donations

Presented by: Cecil B. Wilson, MD, Chair

- 1 In response to Resolution 612 (A-99), attached is an informational financial report which
 - 2 details all grants or donations received by the American Medical Association during 2006.
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American Medical Association
Grants and Donations
For the Year Ending December 31, 2006
(amounts in thousands)

<u>Funding Institution</u>	<u>Project</u>	<u>Funding</u>
<u>Government Funding:</u>		
Agency for Healthcare Research and Quality	Electronic Health Record System	\$ 30
Agency for Healthcare Research and Quality	Effecting Change in Chronic Care	67
Agency for Healthcare Research and Quality	Transform Medical Educational Conference	2
Center for Disease Control	First National Congress for Public Health Readiness	46
Center for Disease Control	Local EMS Linkages	85
Center for Disease Control (thru Professional and Scientific Association)	2nd Annual Disaster Preparedness Conference	245
Centers for Medicare and Medicaid Services (thru Mathematica Research Policy)	Clinical Quality Measures	218
Department of Health and Human Services	Partnership for Healthcare Research and Quality	1
Department of Health and Human Services	Childhood Obesity	50
Department of Health and Human Services	Registration of Healthcare Professionals	2
Department of Health and Human Services	Bioterrorism Training Program	64
Maternal and Child Health Bureau	Partnership in Program Planning for Adolescent Health	91
National Highway Transportation Safety Administration	Elder Driver's Guide	130
National Institute of Health (thru JBS Inc.)	National Institute on Drug Abuse	69
Oregon Department of Justice	Consumer & Prescriber Education Grant	80
U.S. Department of Homeland Security	Core Disaster Life Support Training Grant	187
Total Government Funding		1,367
<u>Private Foundation Funding:</u>		
AMA Foundation	US Holocaust Museum Project	6
AMA Foundation	Health Literacy Problems Among Youth II	30
AMA Foundation	National Service Project	4
AMA Foundation	Hispanic Health	198
AMA Foundation	Cardio-HIT	98
AMA Foundation	Medical Education Research Consortium	10
Commonwealth Foundation	Patient Centered Communications	11
Connecticut Health Foundation	Patient Centered Communications	29
Health Research and Educational Trust	Physician Consortium for Performance Improvement	4
Robert Wood Johnson Foundation	Disparities in Healthcare	39
Robert Wood Johnson Foundation	National Program Office to Reduce Underage Drinking Through Coalitions	222
Robert Wood Johnson Foundation	National Program Office to Reduce High Risk Drinking Among College Students	654
Total Private Foundation Funding		1,305
<u>University Contributors:</u>		
Johns Hopkins University	Research Support for Disaster Preparedness and Response	18
Drexel University	BDLS Educational Session	8
University of Southern California	Youth Violence Prevention Guide	19
Total University Contributors		45

American Medical Association
Grants and Donations
For the Year Ending December 31, 2006
(amounts in thousands)

Funding Institution	Project	Funding
<u>Other Non-Profit Contributors:</u>		
The Society of Thoracic Surgeons	Nathan Davis Award	\$ 1
American Academy of Cosmetic Surgery	Nathan Davis Award	2
Maryland State Medical Society	Nathan Davis Award	2
Washington State Medical Association	Nathan Davis Award	2
California Medical Association	Nathan Davis Award	3
Texas Medical Association	Nathan Davis Award	5
West Virginia State Medical Association	Nathan Davis Award	5
Total Other Non-Profit Contributors		20
<u>Industry Supported Educational Funding:</u>		
Daiichi Pharmaceuticals	CME Monograph on Chronic Bronchitis for the Asian Market	20
Wyeth Pharmaceuticals	CME Program on Immunization	52
Foundation for Better Healthcare	CME Metabolic Syndrome Conference	50
Purdue Pharma	CME Pain Management	22
Endo Pharmaceuticals Inc	CME Pain Management	196
Daiichi Pharmaceuticals	CME Pneumonia	89
Myriad Genetics, Inc.	CME Program on Genetic Susceptibility to Cancer Syndromes	297
Astellas Pharma	CME Patient Education Booklet on Overactive Bladder	7
GlaxoSmithKline	CME Understanding Vaccines	123
Hoffman-La Roche	CME Personalized MED	95
Sanofi Pasteur	Improving Immunizations Series	72
Pfizer	Hispanic Physicians Leadership Development Task Force	69
Blue Cross Blue Shield	Health Disparities Mini-Conference	16
US News and World Report, Inc.	Medical Communications Conference	3
Bacon's	Medical Communications Conference	3
INA Services Co. (thru Customized Newspaper Advertisings)	Medical Communications Conference	3
On The Scene Productions Inc.	Medical Communications Conference	9
Merck & Company Inc.	Medical Communications Conference	10
National Association of Medical Communicators	Medical Communications Conference	15
Pharmaceutical Research & Manufacturers of America	Nathan Davis Award	10
Merck & Company Inc	Nathan Davis Award	50
Purdue Pharma	Nathan Davis Award	50
Johnson & Johnson	Nathan Davis Award	103
Merck & Company Inc	National Conference on Continuing Medical Education	10
Genetech	Science News Media Briefings - Oncology	160
Sanofi Aventis Inc	Science News Media Briefings - Cardiovascular Disease	160
Cohn & Wolf c/o Colgate-Palmolive	Science News Media Briefings - Oral Health	160
Total Industry Supported Educational Funding		1,854
Total Grants and Donations		\$ 4,591

REPORT OF THE BOARD TRUSTEES

B of T Report #26 - A-08

Subject: 2007 Grants and Donations

Presented by: Edward L. Langston, MD, Chair

- 1 In response to Resolution 612 (A-99), attached is an informational financial report which
- 2 details all grants or donations received by the American Medical Association during 2007.

American Medical Association
Grants and Donations
For the Year Ending December 31, 2007
(amounts in thousands)

<u>Funding Institution</u>	<u>Project</u>	<u>Funding</u>
<u>Government Funding</u>		
Agency for Healthcare Research and Quality	Effecting Change in Chronic Care - Tipping Point	\$ 243
Agency for Healthcare Research and Quality	Electronic Health Record System	22
Center for Disease Control	Leadership Summit on Injury Prevention Preparedness	39
Center for Disease Control	Communications & Training Grant on Terrorism	1
Department of Health and Human Services	Bioterrorism Training Program	82
Federal Drug Administration	Foodborne Illness Primer	78
Maternal and Child Health Bureau	Partnership in Program Planning for Adolescent Health	8
National Highway Transportation Safety Administration	Elder Driver's Guide	104
National Institute of Health (thru JBS Inc.)	National Institute on Drug Abuse	94
U.S. Department of Homeland Security	Core Disaster Life Support Training Grant	334
U.S. Environmental Protection Agency	Second Hand Smoke Exposure for Low Income Patients	101
U.S. Environmental Protection Agency	Prevention of Second Hand Smoke Exposure	<u>81</u>
Total Government Funding		<u>1,187</u>
<u>Private Foundation Funding</u>		
AMA Foundation	Cardio-HIT Phase I	328
AMA Foundation	Cardio-HIT Phase II	201
AMA Foundation	Suicide Prevention	4
AMA Foundation	US Holocaust Museum Project	5
California Endowment	Patient Centered Communications	399
Health Research and Educational Trust	Physician Consortium for Performance Improvement	3
Robert Wood Johnson Foundation	Alcohol Education Grant - A Matter of Degree (AMOD)	<u>100</u>
Total Private Foundation Funding		<u>1,040</u>
<u>College & University Contributors</u>		
Medical College of Georgia	2nd National Congress on Health System Readiness	41
Oregon Health and Science University	Consumer & Prescriber Education Grant	<u>59</u>
Total College & University Contributors		<u>100</u>
<u>Other Non-Profit Contributors</u>		
American Academy of Pediatrics	Adult Immunization (IZ) Summit	10
Critical Path Institute	Warfarin Dosing Brochure	20
Infectious Disease Society of America	Adult Immunization (IZ) Summit	<u>1</u>
Total Other Non-Profit Contributors		<u>31</u>
<u>Industry Supported Educational Funding</u>		
Novartis Vaccines & Diagnostics, Inc.	2nd National Congress on Health System Readiness	25
PhRMA	2nd National Congress on Health System Readiness	25
Pfizer Inc.	2nd National Congress on Health System Readiness	30
GlaxoSmithKline	Adult Immunization (IZ) Summit	50
Merck & Co., Inc.	Adult Immunization (IZ) Summit	20
Novartis Vaccines & Diagnostics, Inc.	Adult Immunization (IZ) Summit	20
Sanofi Pasteur Inc.	Adult Immunization (IZ) Summit	10
Wyeth Pharmaceuticals	Adult Immunization (IZ) Summit	20
Eli Lilly and Company	CME Program on Depression	499

American Medical Association
Grants and Donations
For the Year Ending December 31, 2007
(amounts in thousands)

<u>Funding Institution</u>	<u>Project</u>	<u>Funding</u>
<u>Industry Supported Educational Funding (continued)</u>		
Takeda Pharmaceutical Co.	CME Program on Diabetes	\$ 499
Purdue Pharma, L.P.	CME Program on Pain Management	212
Teve Neuroscience, Inc.	CME Program on Parkinson's Disease	450
Daiichi Sankyo Co. LTD	CME Program on Pneumonia	93
GlaxoSmithKline	Immunization Card Project	87
Sanofi Pasteur Inc.	Immunization Card Project	87
Merck & Co., Inc.	Immunization Card Project	87
INA Services Company	Medical Communications Conference	3
MediaLink Worldwide, Inc.	Medical Communications Conference	4
Merck & Co., Inc.	Medical Communications Conference	10
Semaphore Media	Medical Communications Conference	1
MC Communications, LLC	National Conference - Continuing Medical Education	5
Pfizer Inc.	National Conference - Continuing Medical Education	30
Procter & Gamble	National Conference - Continuing Medical Education	9
Web MD	National Conference - Continuing Medical Education	15
Pfizer Inc.	Physician Education on Smoking Cessation Roundtable	<u>143</u>
Total Industry Supported Educational Funding		<u>2,434</u>
Total Grants and Donations		\$ <u>4,792</u>

REPORT OF THE BOARD TRUSTEES

B of T Report 24-A-09

Subject: 2008 Grants and Donations

Presented by: Joseph M. Heyman, MD, Chair

- 1 In response to Resolution 612 (A-99), this informational financial report details all grants
 - 2 or donations received by the American Medical Association during 2008.
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**American Medical Association
Grants & Donations
For the Year Ended December 31, 2008
Amounts in thousands**

Funding Institution	Project	Amount Received
Agency for Healthcare Research and Quality	Health Information Technology to Improve Cardio Care	\$ 368
Centers for Disease Control	Communications & Training Grant on Terrorism	42
Federal Drug Administration	Foodborne Illness Primer	22
HRSA (thru Medical College of Georgia)	Bioterrorism Training Program	16
National Highway Transportation Safety Administration	Elder Driver's Safety Guide	34
National Highway Transportation Safety Administration	Engage Physicians in Addressing Older Driver Safety	34
National Institute of Health (thru JBS Inc.)	National Institute on Drug Abuse	63
Oregon Department of Justice	Consumer & Prescriber Education Grant	107
U.S. Department of Homeland Security	Citizen Ready Training Grant	144
U.S. Department of Homeland Security	Core Disaster Life Support Training Grant	155
U.S. Environmental Protection Agency	Prevention of Second Hand Smoke Exposure	93
U.S. Environmental Protection Agency	Second Hand Smoke Exposure for Low Income Patients	140
Government Funding		<u>1,218</u>
AMA Foundation	Health Information Technology to Improve Cardio Care	115
Markle Foundation	Physician Survey on Patient Health Information	13
Private Foundation Funding		<u>128</u>
Medical College of Georgia	2nd National Congress on Health System Readiness	6
University/College Contributors		<u>6</u>
Qualis Health	Clinical Performance Measures	53
Other Non-Profit Contributors		<u>53</u>
Wolters Kluwer Health	2nd National Congress on Health System Readiness	25
Gilead Sciences Inc.	GLBT - Grand Rounds Training Program	10
Q1 Productions LLC	Medical Communications Conference	42
Semaphore Media LLC	Medical Communications Conference	3
Pfizer Inc.	Medical Student Section Assembly Meeting	15
Pfizer Inc.	National Conference - Continuing Medical Education	15
Sanofi-Aventis Inc.	National Conference - Continuing Medical Education	5
WebMD	National Conference - Continuing Medical Education	5
Wyeth Pharmaceuticals	National Conference - Continuing Medical Education	3
CSL Biotherapies Inc.	National Influenza Vaccine Summit	6
Novartis	National Influenza Vaccine Summit	6
Sanofi Pasteur Inc.	National Influenza Vaccine Summit	6
Mathematica Policy Research, Inc.	Physician Quality Reporting Initiative Tool Kit	100
Pfizer Inc.	Resident Fellow Section Assembly Meeting	15
Industry Supported Educational Funding		<u>256</u>
Total Grants and Donations		<u>\$ 1,661</u>