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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

David L. Shern Ph.D.
President and Chief Executive Officer
Mental Health America
2000 N. Beauregard Street
Alexandria, VA 22311

Dear Dr. Shern:

In December 2009, I asked for an accounting of industry funding that Mental Health America (MHA) 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 MHA's website.

As of the date of this letter, it appears that your organization has taken steps to identify on its website the corporate or industry sponsors and their range of funding support. However, the

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.

website does not specify the purposes of that funding. If MHA is currently taking steps to further enhance the transparency of its financial relationships with the pharmaceutical and device industries, I would appreciate information regarding those steps. In particular, please state whether or not MHA will be adding information in the future about the purpose of the funding it receives. If not, please explain why not.

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.*

Attachment



December 22, 2009

Senator Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Sent by Electronic Transmission

Dear Senator Grassley:

This is in response to your letter of December 7, 2009, requesting information regarding our funding sources and disclosure policies. Mental Health America ("MHA") strongly believes in the principles of transparency and accountability, which are core values guiding our work. Although our goals often overlap with those of our funders, we take pride in acting independently of our funders in programmatic, legislative and litigation activities.

As you requested, I have included with this letter a chart (ATTACHMENT 1) detailing annual amounts of funding from industry sources from 2006 through the present. We have also described the purposes for the grants in a statement of our program and project activities (ATTACHMENT 2).

I have provided below answers to your specific questions regarding policies and disclosure requirements.

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

The process through which MHA seeks corporate funding involves staff development of proposed activities that are consistent with the mission of the organization. These are subsequently presented to potential sponsors who select those projects that are most attractive to them.

MHA strictly prohibits companies from placing restrictions or providing guidance on how funding will be spent. When we receive funding, it must be unrestricted as stated on page 7 (section i) of our Corporate Support & Sponsorship Guidelines (ATTACHMENT 3). We have sole decision-making authority over what programs and initiatives are created and supported and exercise control, direction and independent judgment over editorial content and decisions. Our Corporate Support & Sponsorship Guidelines (page 4) specifically state that MHA decides what event, program or initiative may be funded and exercises control over all content.

MHA creates and develops programs that carry out our mission to promote mental health, prevent mental illnesses, and ensure adequate care and treatment of persons with mental illness. Funding is sought for and dedicated to a specific program or initiative (page 6, section g of ATTACHMENT 3), but MHA has sole control over the direction of the project and exercises independent judgment with respect to content, decisions and design as set forth in our Corporate Support & Sponsorship Guidelines. MHA imposes accounting restrictions on the expenditure of funds in order to ensure that funds donated for specific projects are expended on those projects.

Our fundraising is guided by the Better Business Bureau Wise Giving Alliance. Relationships must be consistent with IRS Regulations as well as with the Council of Better Business Bureaus Standards for Charitable Solicitations, the Attorney General's Guidelines for Cause Marketing and the National Health Council's disclosure guidelines.

In September, 2006, the MHA board adopted a report from the Task Force on Sources of NMHA Funding that established a goal of balancing MHA funding among its various sources with no more than 33% of funding being received from any given funding source (See ATTACHMENT 4). As can be seen from ATTACHMENT 1, funding from the pharmaceutical industry has decreased each year from 2006. In 2010 we project funding from the pharmaceutical industry to be approximately 33% of MHA's revenue.

2) If MHA 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.

MHA prohibits restrictions on funding. As stated in answer to Question 1, funding is dedicated to a specific program or initiative that we have created or developed to carry out our mission, but we retain and maintain control over content, decisions and design of all projects, no matter what the source of the funding.

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

Transparency is a fundamental policy, value and principle of Mental Health America. As stated in our Corporate Support & Sponsorship Guidelines, we adhere to the Better Business Bureau's Wise Giving Alliance Standards and the National Health Council's guidelines regarding complete disclosure of sponsorship relationships, fundraising, spending and expenses, reporting and budgeting.

We disclose sources of funding in our annual report, which is posted on our website (ATTACHMENTS 5, 6, and 7). Mental Health America's Board of Directors and its Resources Development Committee continually review and evaluate disclosure and transparency policies and best practices to ensure that we maintain the highest standards and uphold the public trust.

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

Article IV, Section 8 of MHAs Bylaws (ATTACHMENT 8) set forth our policies on disclosure of outside income. As stated in subsection g, "every year, members of the Board of Directors shall submit to the Chair of the Board a letter disclosing any direct or indirect benefits received as a result of the Association's agreements with any outside party and any financial interest..." A copy of the Conflict of Interest Disclosure Form is enclosed with this letter (ATTACHMENT 9). Additionally, Conflict of Interest guidelines are incorporated into the vetting process that is employed by the board nominating committee and included in new board member orientation activities.

Section 3.2 of MHA's Employee Handbook requires new employees to disclose any outside employment, consulting contracts, board memberships, or other activities to identify potential conflicts with our work. Each calendar year, employees are required to disclose in writing whether they are on the board of directors of any organization. In addition, the President/CEO is required to disclose all direct and indirect benefits received during

the previous year as a result of MHA's agreement with any outside party. This disclosure includes a listing of all gifts, payments and other forms of compensation received from individuals, organizations, businesses and agencies with which MHA does business.

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

Specific disclosure statements were provided to MHA with the presumption of confidentiality. Accordingly, they are not available for release.

Sincerely,



David L. Shern, Ph.D.
President and CEO
Mental Health America

MENTAL HEALTH AMERICA
INDUSTRY FUNDING JANUARY 2006 - PRESENT

* Descriptions for each restriction is attached

	Program/Project for which Funding was Received	2006	2007	2008	2009
Abbott Laboratories	Employee Giving		90	142	
	Subtotal	-	90	142	-
AstraZeneca	Dialogue for Recovery	150,000		125,000	75,000
	Campaign for America's Mental Health			75,000	
	Public Education Department	100,000	165,000		
	Annual Conference	35,000	35,000	85,000	10,000
	Healthcare Reform Department		160,000		
	Policymaker Education Initiative		25,000	75,000	
	Evidence Based Healthcare	50,000		50,000	
	Fall Policy Conference		20,000	25,000	25,000
	Caucus Project			50,000	
	Coalition for Constructive Coverage				30,000
	Worth More Than Weight	52,125			
	Council on Science and Research		25,000	25,000	25,000
	Resource Center			25,000	
	Branding Project	10,000			
	Subtotal	397,125	430,000	535,000	165,000
Bristol-Myers Squibb	Campaign for America's Mental Health	275,000	500,000	375,000	420,000
	Dialogue for Recovery	227,500	22,500		
	Annual Conference	35,000	40,000	60,000	10,000
	Centennial Gala				15,000
	Public Policy & Advocacy Department				80,000
	Healthcare Reform Department	275,000	687,500	237,500	
	Council on Science and Research		35,000	35,000	
	Evidence Based Healthcare	250,000			
	Subtotal	1,062,500	1,285,000	707,500	525,000
	BMS Foundation	Eliminating Behavioral Health Disparities			
Subtotal		-	-	-	375,000
Cephalon, Inc.	Resource Center	20,000			
	Subtotal	20,000	-	-	-
Cyberonics	Annual Conference	20,000	2,500		
	Public Education Institute	10,000			
	Dialogue for Recovery	75,000			
	Resource Center	40,000			
	Subtotal	145,000	2,500	-	-
Eli Lilly and Co.	Annual Conference	50,000	25,000	35,000	25,000
	Centennial Gala				25,000
	Campaign for America's Mental Health	275,000			
	Healthcare Reform Department	550,000		12,356	195,000
	Medicaid Reform Document		-	33,333	
	Council for Science and Research		25,000	50,000	
	Evidence Based Healthcare	250,000		500,000	
	Public Education Department		300,000	587,644	195,000
	Lilly USA United Way Award				5,000
	Attitudinal Survey	100,000			
	Coalition for Constructive Coverage	75,000	75,000	30,000	25,000
Subtotal	1,300,000	425,000	1,248,333	470,000	
Eli Lilly and Co. Fdn.	Employee Matching Program	8,635	125		800
	Subtotal	8,635	125	-	800
Forest Labs	Annual Conference	5,000	5,000	10,000	5,000
	Centennial Gala				5,000
	Healthcare Reform Department	50,000	125,000	50,000	
	Fall Policy Conference			25,000	
	Campaign for America's Mental Health	50,000	165,000		
Resource Center	25,000				

MENTAL HEALTH AMERICA
INDUSTRY FUNDING JANUARY 2006 - PRESENT

* Descriptions for each restriction is attached

	Program/Project for which Funding was Received	2006	2007	2008	2009
	Employee Matching Program			3,500	500
	Health Writers Symposium - Co-Occurring Disorders	125,000			
	Subtotal	255,000	295,000	88,500	10,500
GlaxoSmithKline	Campaign for America's Mental Health	50,000			
	Healthcare Reform Department	50,000			
	Annual Conference	20,000			
	Council on Science and Research	10,000			
	Unrestricted Grant for General Operating	50,000	50,000		
	Branding Project	10,000	15,000		
	Evidence Based Healthcare			77,506	
	Subtotal	190,000	65,000	77,506	-
Janssen	Dialogue for Recovery	50,000			25,000
	Annual Conference	20,000	10,000	10,000	10,000
	Centennial Gala			25,000	40,000
	Healthcare Reform Department	200,000	650,000		
	Public Policy & Advocacy Department				150,000
	Campaign for America's Mental Health		150,000		
	Council on Science and Research		25,000	25,000	
	Resource Center		50,000		25,000
	Media Outreach		100,000		
	Coalition for Constructive Coverage				25,000
	Evidence Based Healthcare	150,000			150,000
	Subtotal	420,000	985,000	60,000	425,000
McNeil	"Writing A Chapter" Promotion		1,500		
	Subtotal	-	1,500	-	-
Neuronetics	Fall Policy Conference	10,000			
	Subtotal	10,000	-	-	-
Novartis	Campaign for America's Mental Health	25,000			
	Cause Related Marketing			100,000	
	Evidence Based Healthcare		30,000		
	Subtotal	25,000	30,000	100,000	-
Noven	Community Outreach Events			22,500	
	Subtotal	-	-	22,500	-
Otsuka	Public Education Institute	10,000	10,000	10,000	
	Subtotal	10,000	10,000	10,000	-
Pfizer	Fall Policy Conference			50,000	
	Campaign for America's Mental Health	200,000			
	Dialogue for Recovery	200,000			
	Healthcare Reform Department	222,000	447,000	80,000	
	Evidence Based Healthcare	150,000		145,000	
	NCSL Sponsorship	30,000			
	Public Education Department		250,000	25,000	100,000
	Centennial Gala			50,000	
	Council on Science and Research			25,000	
	Coalition for Constructive Coverage				75,000
	Florida Affiliates Policy Meeting	15,000			
	Subtotal	817,000	697,000	375,000	175,000
The Pfizer Fdn	General Donation	750	1,500		
	Subtotal	750	1,500	-	-
PhRMA	Annual Conference			10,000	
	Branding Project	15,000			
	Evidence Based Healthcare	150,000			
	Healthcare Reform Department	11,626	5,000		
	Evidence Based Healthcare Membership	9,000	2,500		
	Subtotal	185,626	7,500	10,000	-

MENTAL HEALTH AMERICA
INDUSTRY FUNDING JANUARY 2006 - PRESENT

* Descriptions for each restriction is attached

	Program/Project for which Funding was Received	2006	2007	2008	2009
Schering-Plough	Centennial Gala				15,000
	Matching Gifts			300	
	Subtotal	-	-	300	15,000
Shire	Workplace Wellness		10,000		
	Subtotal	-	10,000	-	-
Solvay/Wyeth Alliance (HealthSTAR)	Annual Conference		10,000		
	President's Council	50,000			
	Subtotal	50,000	10,000	-	-
Vanda	Unrestricted Grant for General Operating			10,306	
		-	-	10,306	-
Wyeth	Campaign for America's Mental Health	100,000			
	Annual Conference	10,000	10,000	15,000	
	Centennial Gala				25,000
	Public Education Department		340,000		
	Healthcare Reform Department	25,000	100,000		
	Fall Policy Conference		25,000	25,000	
	States of Depression Survey		173,135	75,000	
	Council on Science and Research		35,000	35,000	
	Evidence Based Healthcare	150,000			
	Disaster Relief	-	50,000		
	Operations Healthy Reunions	200,000			
	Public Education Institute				5,000
	Schizophrenia Survey		220,000	15,000	
	Coalition Coverage of Mental Health fundamental health!		37,500		
			435,841		220,000
	Healthwriter's Symposium	50,000			
	Depression Is Real PSA Campaign	100,000		7,500	123,000
	Subtotal	635,000	1,426,476	172,500	373,000
	Total	\$ 5,531,636	\$ 5,681,691	\$ 3,417,587	\$ 2,534,300