

PHARMA FREEBIES UNDER SCRUTINY - POLITY

NEWS: The Centre has asked **pharma companies for details of expenditure on marketing in the last one year.**

WHAT'S IN THE NEWS?

Government Monitoring of Pharma Marketing Practices

- The **Union government is closely monitoring** pharmaceutical companies amid reports of continued unethical practices, particularly the distribution of **freebies to doctors** to influence prescription behavior.
- This scrutiny follows concerns that such practices undermine medical ethics and inflate healthcare costs.
- The **Department of Pharmaceuticals (DoP)** has asked companies to submit detailed disclosures regarding their marketing expenditures by **31 July 2025**.
- Failure to comply with this directive may result in **regulatory action**, highlighting the government's seriousness in addressing unethical practices.

Uniform Code for Pharmaceutical Marketing Practices (UCPMP) – 2024

- The **UCPMP 2024** was introduced to promote **transparency, accountability, and ethical conduct** in pharmaceutical marketing.

Key Features:

- **Prohibition of Inducements:**
 - Pharmaceutical companies are **explicitly barred** from offering **gifts, monetary benefits, or hospitality** to healthcare professionals or their family members as inducements to prescribe specific drugs.
- **Restrictions on Travel and Hospitality:**
 - **Travel or accommodation benefits** can only be provided if the doctor is a **speaker at a Continuing Medical Education (CME)** event.
 - Even then, **foreign venues are strictly prohibited**, ensuring moderation and relevance to professional learning.
- **Accountability and Transparency Measures:**
 - Companies must **self-certify adherence** to the UCPMP.
 - All **expenditures related to conferences, seminars, workshops**, etc., must be disclosed publicly to ensure transparency.

- **Enforcement Mechanism:**

- An **Ethics Committee for Pharmaceutical Marketing Practices (ECPMP)** is set up within each pharmaceutical industry association.
- Penalties for violation include:
 - **Public reprimand** of the violator.
 - **Recovery of benefits** improperly given.
 - **Issuance of corrective public statements.**
 - Potential **legal action** in serious or repeated violations.

Understanding Freebies to Doctors

- **Freebies**, often referred to as “**Doctors’ Commission**,” include **gifts in cash or kind** offered to medical professionals in exchange for promoting or prescribing a specific pharmaceutical brand.
- These may range from **expensive branded items and gadgets to sponsored vacations or conferences**, which are designed to **influence medical decisions**.

Key Concerns Arising from Doctor-Pharma Nexus

- **Conflict of Interest:**
 - Doctors are ethically required to act in the **best interests of patients**, and receiving inducements skews their judgment, resulting in decisions influenced by **personal gain rather than medical merit**.
- **Loss of Patient Trust:**
 - Patients expect **unbiased medical advice** from their doctors.
 - Any perception that doctors are influenced by pharmaceutical incentives **undermines confidence** in the healthcare system.
- **Escalation of Healthcare Costs:**
 - Freebies may incentivize doctors to **prescribe expensive branded drugs** even when cost-effective alternatives are available.
 - This contributes to **higher out-of-pocket expenses** for patients and overall inflation in the cost of healthcare delivery.
- **Violation of Medical Ethics:**

- The practice of accepting gifts from pharma companies **contravenes ethical codes** of medical councils and institutions.
- It reflects a **deviation from the fundamental principle of patient-first care** and erodes public trust in the profession.

Recommendations by Vinod K. Paul Committee (2023)

- A five-member expert committee, led by **Dr. Vinod K. Paul**, was constituted to recommend measures for addressing unethical inducements by pharmaceutical companies.

Major Recommendations:

- **Cap on Branded Gifts:**
 - Value of any gift provided to a doctor should **not exceed ₹1,000 per item**, ensuring minimal influence and relevance to professional use.
- **Ban on Foreign CMEs:**
 - **All Continuing Medical Education (CME) workshops for doctors must be conducted within India.**
 - This prevents misuse of CMEs as a pretext for foreign travel and hospitality.
- **Taxation of Research Funding:**
 - Any **monetary assistance** received by doctors from pharma companies to conduct research should be treated as **taxable income** to bring transparency in funding flows.
- **TDS on Free Drug Samples:**
 - If a company provides free drug samples to a doctor valued at **more than ₹20,000 annually**, tax must be **deducted at source (TDS)** as per the Income Tax Act.

Conclusion: Ethical and Regulatory Reforms Needed

- The ongoing relationship between **doctors and pharmaceutical companies** in India presents serious **ethical and financial challenges**.
- While **UCPMP 2024** has integrated many of the committee's recommendations, it still functions largely on **voluntary compliance**, and experts urge **further legal enforcement**.
- Ensuring **independent oversight mechanisms, strengthening regulation**, and reinforcing **professional integrity and patient welfare** are critical for:
 - Restoring **public trust** in the healthcare system.

- Reducing **unnecessary healthcare expenditures**.
- Protecting the **ethical standards** of medical practice.

Source: <https://www.livemint.com/news/pharmaceutical-marketing-practices-gifts-freebies-medicine-transparency-monetary-benefits-idma-travel-hospitality-11748766597155.html>