



7th June 2005

Sandra Coney
Chairperson
PHARMAC Consumer Advisory Committee
P O Box 10254
WELLINGTON

By fax: 04 460 4995

Dear Sandra

Health Industry Sponsorship of Consumer Health Organisations

The Researched Medicines Industry Association (RMI) understands that the PHARMAC Consumer Advisory Committee (CAC) is seeking feedback from consumer and patient groups regarding industry sponsorship and proposed policy options.

While the CAC has yet to discuss this with industry representatives and has not directly sought input or comment from the industry on the discussion paper the CAC has developed and circulated, the following submissions are put forward with the view to establishing a more constructive and inclusive debate on this matter.

1. Industry Standards of Conduct

The RMI is the professional and trade organisation of New Zealand's research-based pharmaceutical industry. Prescription medicines play a vital role in the prevention, amelioration and treatment of disease and the industry is committed to assisting New Zealanders in achieving these benefits through the safe and quality use of medicine. In addition to our representative and advocacy functions the RMI works to promote and ensure ethical behaviour and the highest standards via the RMI Code of Practice.

The RMI Code of Practice reflects the industry's commitment that any activity by a company in its engagement with health professionals or the general public must not discredit or reduce confidence in the pharmaceutical industry. While sponsorship of charities and patient groups is not explicitly dealt with by the Code, this principle is fundamental to our accepted standards behaviour and the RMI would take seriously the matter of any company engaging inappropriately with a consumer or patient group.

Level 1, Perpetual Trust House
111 Customhouse Quay
PO Box 10447, Wellington
Telephone: 04-499 4277
Facsimile: 04-499 4276
www.rmianz.co.nz

2. Independence of consumer and patient groups

It would appear that the key issue at the heart of this matter is the concern that consumer and patient groups may be compromised by accepting sponsorship support and unable to continue to be independent in their views and in their advice given to their respective constituencies.

It is however noted that while the discussion paper provides references to overseas studies and reports, no examples have been given of sponsorship activities in New Zealand that would give rise to similar concerns here.

The RMI considers the perceived need to provide guidelines to these groups to be insulting to the patient groups themselves. They are perfectly capable of differentiating between inappropriate inducements and genuine working relationships to the benefit of both parties. The CEO's and dedicated members of these organisations operate by their own values and the values of their organisations and to imply that they are open to corruption is an insult.

The RMI is also disappointed that the pharmaceutical industry appears to have been singled out when considering the theoretical issue of inappropriate influence on consumer and patient groups. It could be equally argued that in accepting money from Government and its agencies including PHARMAC, either as a grant or through commercial arrangements, consumer and patient groups are equally compromised in their independence and ability to speak out.

The discussion paper also appears to imply that somehow corporate and non-pharmaceutical health industry sponsorship activities are more acceptable. It must be acknowledged that these are also commercial entities and are no different from Pharmaceutical companies or government agencies in terms of their motivation for supporting consumer and patient groups. As they are unlikely to operate under the guidance of a Code of Practice they could be considered to be even less appropriate as funding sources.

If indeed there is a case to address the matter of influence on consumer and patient groups, the debate should examine all types of funding and all funding sources, not just the pharmaceutical industry. It would however be unfortunate that if as a result of this review that all external funding of patient or consumer groups were to be restricted or to cease altogether.

3. PHARMAC's role and functions

The role of the CAC is to, when requested by PHARMAC, provide PHARMAC with a consumer or patient perspective. It therefore follows that the CAC's activities are limited to PHARMAC's specific requirements as they relate to the agency's statutory functions.

Wayne McNee, PHARMAC CEO, has confirmed that the CAC work on industry sponsorship of consumer health organisations does not relate to PHARMAC's statutory function, which is the management of pharmaceutical expenditure. The RMI agrees with this assessment and therefore questions why it is that PHARMAC is involved in this issue and expending time and resource on it.

RMI is not opposed to a legitimate debate on the issue of sponsorship of consumer and patient groups in New Zealand however we question the appropriateness of a PHARMAC advisory committee initiating and managing the debate. Natural justice would also dictate that the industry should be involved in that debate and the RMI would be happy to meet with consumer and patient group representatives to identify issues and concerns and discuss how the matter can be usefully progressed.

Yours sincerely

Lesley Clarke
Chief Executive Officer