

Pharmaceutical Marketing Expenditures in the District of Columbia in 2020



**Government of the District of Columbia
Department of Health
Health Regulation and Licensing Administration**

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Executive Summary

Overview

This annual report presents the size and scope of pharmaceutical marketing expenditures in the District of Columbia in 2020. Title III of the AccessRx Act of 2004 requires any “manufacturer or labeler of prescription drugs dispensed in the District that employs, directs, or utilizes marketing representatives in the District” to disclose, in an annual report to the District of Columbia Department of Health (DOH), expenses for marketing prescription drugs in the District. These expenditures include costs of direct promotion to District residents; costs of educational and informational sessions, gifts, and other marketing to healthcare professionals and entities licensed to provide care in the District; and costs associated with employees or contractors who directly or indirectly engage in these activities in the District. Data collected by AccessRx complement data from the federal Centers for Medicare and Medicaid Services (CMS) Open Payments program. Open Payments collects information on gifts from pharmaceutical companies to physicians and teaching hospitals. Appendices A and B provide additional information on reporting requirements for Open Payments and AccessRx.

This report presents overall pharmaceutical marketing expenditures and those accounted for by subgroups such as physicians, nurses, teaching hospitals, and various organizations. Finally, this report offers recommendations for improving the reporting and utility of the data for future years.

Key Findings

The year 2020 was the first full year in which the worldwide Covid-19 pandemic affected the United States, including the District of Columbia. The pandemic shifted the priorities of the entire health care sector. Patients and providers of medical care postponed non-emergent procedures, and pharmaceutical manufacturers allocated funds towards the research, development, and marketing of products and services related to this new infectious disease. Stay-at-home orders and social-distancing practices constrained how marketers could attempt to reach providers and patients. Providers converted to virtual formats or canceled altogether gatherings that would have been held in person. For these reasons, a comparison of the experience in 2020 with prior years is not indicative of longer-term trends.

In 2020, 232 pharmaceutical manufacturers and labelers submitted reports to the AccessRx program on pharmaceutical marketing expenditures in the District of Columbia—an increase of 40 reporting companies relative to 2018. These companies reported spending a total \$72.9 million in 2020—a decrease of \$48.3 million over the total reported in 2018. As in prior years, advertising expenses constituted the largest expenditure type, totaling \$54.7 million and representing 75% of all expenditures in 2020. At \$6.2 million, detailing expenses constituted the smallest type of expenditure (8.5%) in 2020.

Notable Findings for 2020

- Pharmaceutical marketing expenditures were highly concentrated among few companies:
 - Amgen Inc. reported the largest amount, \$7.8 million, representing 10.7% of total expenditures reported by all 232 companies in 2020.
 - Fewer than 3% of companies accounted for 42.5% of all gift expenses in 2020.
 - 6% of companies accounted for 81.6% of all advertising expenses in 2020.
- Individuals received nearly 24,000 gifts, totaling \$10.2 million:
 - Physicians accounted for 75% of all gifts and for 90% of the value of all gifts.
 - Dentists and pharmacists received gifts of the highest median value.
- Organizations received 608 gifts, totaling \$9.5 million:
 - Teaching hospitals received more than 40% of the total value of gifts to this group.
 - Washington Hospital Center received 48% of all gifts to this group and 63% of their total value.
- 87% of all advertising expenses went to direct-to-consumer advertising.
- Nearly 74% of all advertising expenses went to television as the marketing channel.
- 91% of all advertising expenses targeted patients or the general public.

I. Summary of Pharmaceutical Marketing Expenditures

Total Expenses

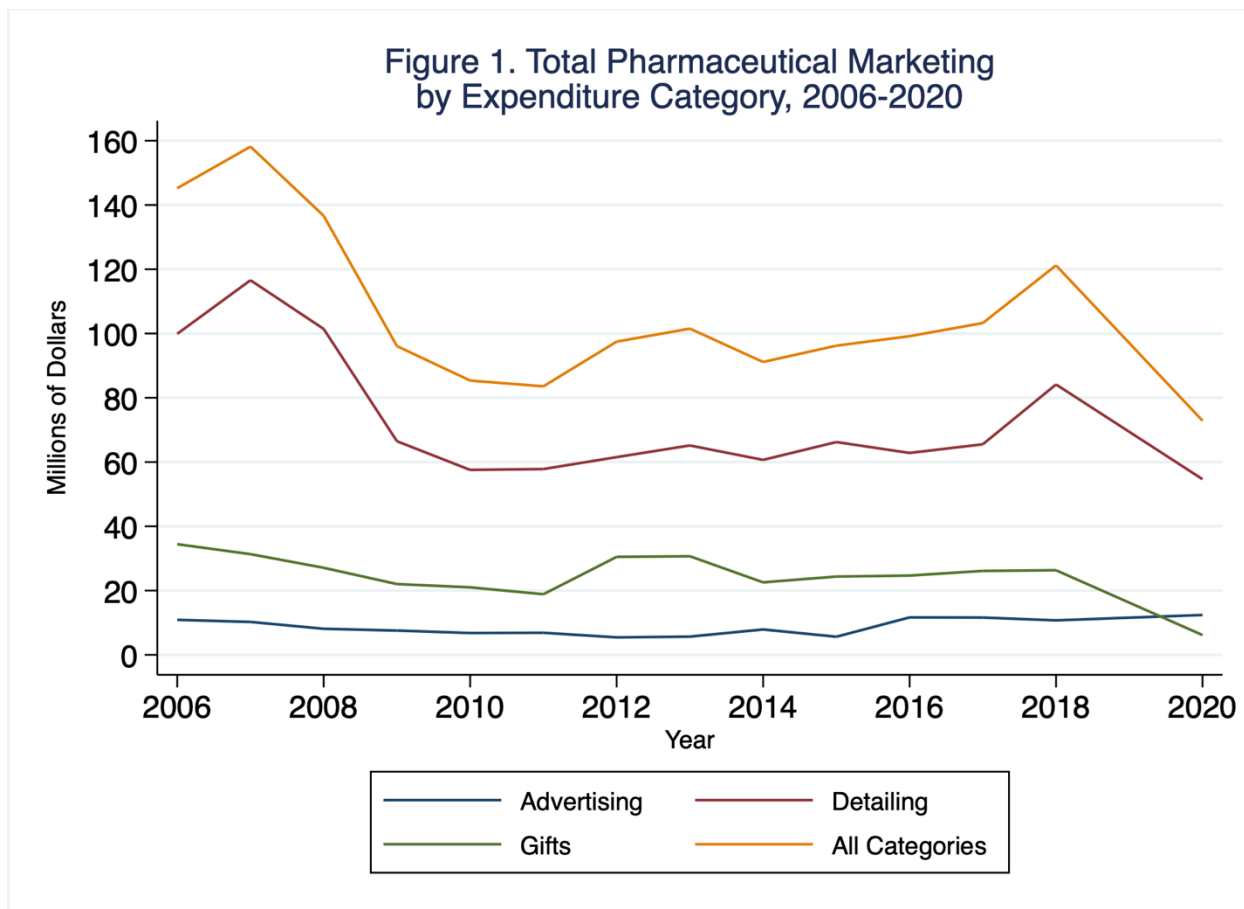
In 2020, pharmaceutical manufacturers and labelers spent \$72.9 million on marketing in the District of Columbia (DC), including gifts, advertising, and aggregate detailing expenditures, according to the organizations' reports submitted to the DC Department of Health.

Two hundred and thirty-two pharmaceutical manufacturers and labelers submitted reports to the District's AccessRx program for the reporting year 2020, an increase of 21% from 2018.

Table 1 displays the reported amounts for each category from 2006 to 2020. Gifts reported from 2006 to 2012 represent only data from AccessRx. The Open Payments program began its first data collection in August 2013; therefore, from 2013 onward, gifts represent data from the AccessRx and Open Payments programs.

Table 1. Pharmaceutical Marketing by Expenditure Category, 2006-2020

Year	Gifts (\$)	Advertising (\$)	Detailing (\$)	All Categories (\$)
2006	10,890,983	99,889,040	34,440,072	145,220,094
2007	10,253,274	116,573,964	31,337,226	158,164,463
2008	8,108,052	101,425,020	27,090,335	136,623,408
2009	7,569,036	66,483,622	22,034,979	96,087,637
2010	6,791,214	57,551,911	21,010,822	85,353,946
2011	6,879,230	57,815,759	18,859,946	83,554,935
2012	5,445,732	61,537,192	30,487,486	97,470,410
2013	5,673,841	65,158,392	30,686,134	101,518,367
2014	7,903,100	60,671,713	22,562,396	91,137,209
2015	5,631,108	66,225,062	24,362,166	96,218,336
2016	11,658,176	62,833,677	24,672,754	99,164,608
2017	11,603,211	65,526,876	26,118,323	103,250,427
2018	10,733,504	84,137,739	26,331,275	121,202,518
2020	12,411,725	54,658,190	6,163,511	72,856,517



One quarter of submitting organizations reported total expenditures of \$10,000 or less.

The median total expenditure per company was \$49,694.

The top four companies reported total expenditures of at least \$3.4 million.

Amgen Inc. reported the largest amount, \$7.8 million, representing 10.7% of total expenditures reported by all 232 companies in 2020.

Average expenditures per company were \$314,036 in 2020.

Gift Expenses

Gift expenses are payments accepted by individuals or entities licensed to provide health care in the District of Columbia. Pharmaceutical companies are required to report expenses associated with educational and informational programs and materials, food, entertainment, traveling, products, and other activities. Appendices A and B provide further details on reporting requirements for the AccessRx and Open Payments data collection programs, respectively.

473 pharmaceutical companies reported at least one gift expense to either Open Payments or AccessRx in 2020. The total value of gift expenses reported in 2020 was nearly \$19.7 million.

Table 2 displays the distribution of the gift expense totals per company in 2020. More than half of companies reporting declared gift expense totals of no more than \$1,000. 44 companies reported expenses totaling over \$100,000 while nearly 3 out of every 4 companies (73%) reported spending \$10,000 or less. 12 companies accounted for more than \$2 out of every \$5 (42.5%) in gift expenses in 2020. Section II of this report identifies the groups of gift recipients (subsection II.a. describes individual gift recipients and subsection II.b. describes institutional gift payments).

Table 2. Distribution of Gift Expenses, 2020

Total Reported Value per Company	Number	Percent	Value (\$)	Percent
\$1 - \$1,000	241	51.0	63,011	0.3
\$1,001 - \$10,000	105	22.2	417,941	2.1
\$10,001 - \$25,000	29	6.1	476,325	2.4
\$25,001 - \$50,000	26	5.5	966,666	4.9
\$50,001 - \$100,000	28	5.9	2,021,199	10.3
\$100,001 - \$250,000	19	4.0	2,829,917	14.4
\$250,001 - \$500,000	13	2.7	4,551,819	23.1
\$500,001 - \$1,000,000	10	2.1	6,205,552	31.5
More than \$1,000,000	2	0.4	2,165,530	11.0
Total	473	100.0	19,697,962	100.0

Advertising Expenses

Advertising expenses include costs associated with advertising and promotional activities for prescription drugs, specific to the District of Columbia.

In 2020, 99 companies reported a total of \$12.4 million in advertising expenses. This expense category was highly concentrated: Only 6% of companies reporting accounted for 81.6% of all advertising expenses declared in 2020. By contrast, more than one fifth of companies accounted for less than 0.1% of all advertising expenses in 2020.

Table 3. Distribution of Advertising Expenses, 2020

Total Reported Value per Company	Number	Percent	Value (\$)	Percent
\$1 - \$1,000	21	21.2	9,242	0.1
\$1,001 - \$10,000	32	32.3	113,140	0.9
\$10,001 - \$25,000	16	16.2	256,900	2.1
\$25,001 - \$100,000	18	18.2	1,003,330	8.1
\$100,001 - \$250,000	6	6.1	899,216	7.2
\$250,001 - \$1,000,000	3	3.0	1,913,972	15.4
More than \$1,000,000	3	3.0	8,215,924	66.2
Total	99	100.0	12,411,725	100.0

Detailing Expenses

Aggregate expenses are payments made to employees or contractors engaged in District of Columbia marketing and promotional activities, including salaries. The District is the only jurisdiction in the United States that requires reporting of these costs.

The following are examples of position titles for aggregate-expense personnel:

- Sales Representative/Specialist
- Territory Manager
- Regional Sales Director
- Medical Science Liaison
- Account Manager
- District Manager

In 2020, 204 pharmaceutical companies reported spending a total of \$54.7 million in detailing expenses. Just as in the advertising expense category, detailing expenses were concentrated among a few companies: Just under 7% of all companies accounted for nearly 60% of all aggregate expenses in 2020, while more than a third accounted for only 1.4%.

Table 4. Distribution of Detailing Expenses, 2020

Total Reported Value per Company	Number	Percent	Value (\$)	Percent
\$1 - \$25,000	69	33.8	748,806	1.4
\$25,001 - \$100,000	61	29.9	3,438,640	6.3
\$100,001 - \$250,000	35	17.2	5,618,276	10.3
\$250,001 - \$500,000	13	6.4	4,537,766	8.3
\$500,001 - \$1,000,000	12	5.9	8,423,029	15.4
More than \$1,000,000	14	6.9	31,891,674	58.3
Total	204	100.0	54,658,190	100.0

II. Gift Expenses

As noted, in 2020 pharmaceutical and device manufacturers reported gift expenses totaling \$19.7 million in the District of Columbia.

Individual recipients are persons, including physicians, nurses, dentist, medical staff, physician assistants, pharmacists, who received gifts or payments including cash, food, or in-kind consideration. In 2020, this group received nearly 24,000 gifts, totaling \$10.2 million. Physicians accounted for three quarters of all gifts and for 90% of the value of all gifts. Consistent with previous years, a physician also was the individual recipient of the gift with the highest declared value, while the median value of gifts was the lowest for this recipient type. Nurses were the second largest recipient type both in the number of gifts and their total value. Dentists and pharmacists received gifts of the highest median value.

Institutional recipients are organizations, including teaching hospitals, advocacy organizations, non-teaching hospitals and clinics, and universities. This group received 608 gifts totaling \$9.5 million, or 48% of the value of all gifts reported in 2020. More than 40% of the total value of gifts to institutional recipients was accounted for by teaching hospitals. Gifts to universities constituted the smallest category, although their median value was comparable to that of gifts to teaching and non-teaching hospitals.

Table 5. Distribution of Gift Expenses by Type of Recipient, 2020

Gifts to Individual Recipients

	Count	Total Value (\$)	Highest Value (\$)	Median Value (\$)
Physician	18,114	9,190,886	400,286	23
Advanced Practice Nurse	2,237	550,489	41,581	29
Dentist	664	159,712	8,750	57
Medical Staff	1,498	151,869	24,226	26
Other Individual Recipient	808	82,292	5,440	32
Physician Assistant	527	31,782	2,080	26
Pharmacist	145	17,897	4,500	68
Total	23,993	10,184,927	400,286	24

Gifts to Institutional Recipients

	Count	Total Value (\$)	Highest Value (\$)	Median Value (\$)
Teaching Hospital	193	3,967,484	580,500	3,200
Other Institutional Recipient	237	1,961,896	500,000	217
Advocacy Organization	62	1,775,800	100,000	25,000
Non-Teaching Hospital	80	981,117	115,000	3,000
University	36	826,738	250,000	2,500
Total	608	9,513,035	580,500	1,707
Grand Total	24,601	19,697,962		

II.a. Individual Recipients

This section presents more detailed data on gifts made to individual recipients, including physicians, nurses, dentists, medical staff, physician assistants, pharmacists, and others. Total gifts received by individuals were \$10.2 million in 2020.

The Centers for Medicare and Medicaid Services' Open Payments program requires the reporting of payments to physicians. The AccessRx program supplements Open Payments by requiring companies to report payments to other healthcare providers. Under certain circumstances, payments to physicians also do not have to be reported to Open Payments. For example, reporting to Open Payments is not required if the physician is a resident at the time of gift receipt, or the payment was made by a manufacturer with only one approved product during the 180-day grace period following FDA approval of that product. These exceptions do not apply to AccessRx, so these payments are reported to AccessRx. Starting on the next page, we present results for each type of individual recipient.

Physicians

Physicians in the District of Columbia received a total of \$9.2 million in gifts in 2020, representing 90% of the total value of gifts reported for all individual recipients. Companies reported payments to 2,089 different physicians practicing in the District of Columbia in 2020. The American Association of American Medical Colleges' 2019 State Physician Workforce Data Report counted 5,950 active physicians in the District¹, suggesting that about one in three active physicians in the District received at least one gift in 2020.

Table 6 shows the distribution of gifts to physicians by total value received in 2020. Nearly 7 in ten physicians did not receive gifts totaling more than \$250. By contrast, 1% of physicians received gifts totaling at least \$100,000. Forty-five physicians, or just over 2%, accounted for 64% of the total value of gifts to physicians.

Table 6. Distribution of Gifts to Physicians, 2020

Total Reported Value per Physician	Number of Physicians	Percent of Total Number	Value (\$)	Percent of Total Value
\$1 - \$250	1,443	69.1	105,827	1.2
\$251 - \$1,000	265	12.7	131,639	1.4
\$1,001 - \$10,000	235	11.2	913,078	9.9
\$10,001 - \$25,000	68	3.3	1,047,834	11.4
\$25,001 - \$50,000	33	1.6	1,151,939	12.5
\$50,001 - \$100,000	23	1.1	1,614,303	17.6
\$100,001 - \$250,000	17	0.8	2,539,284	27.6
More than \$250,000	5	0.2	1,686,981	18.4
Total	2,089	100.0	9,190,886	100.0

Consistent with past years, at about \$3.8 million each, speaking and consulting engagements represented the largest nature-of-payment categories by value. Together these two categories represented 83% of the total value of gifts made to physicians. They also exhibited the highest median value of all categories.

By far the largest number of gifts fell into the “food and beverage” category, accounting for 72.5% of all gifts to physicians in 2020, at a median value of \$20.

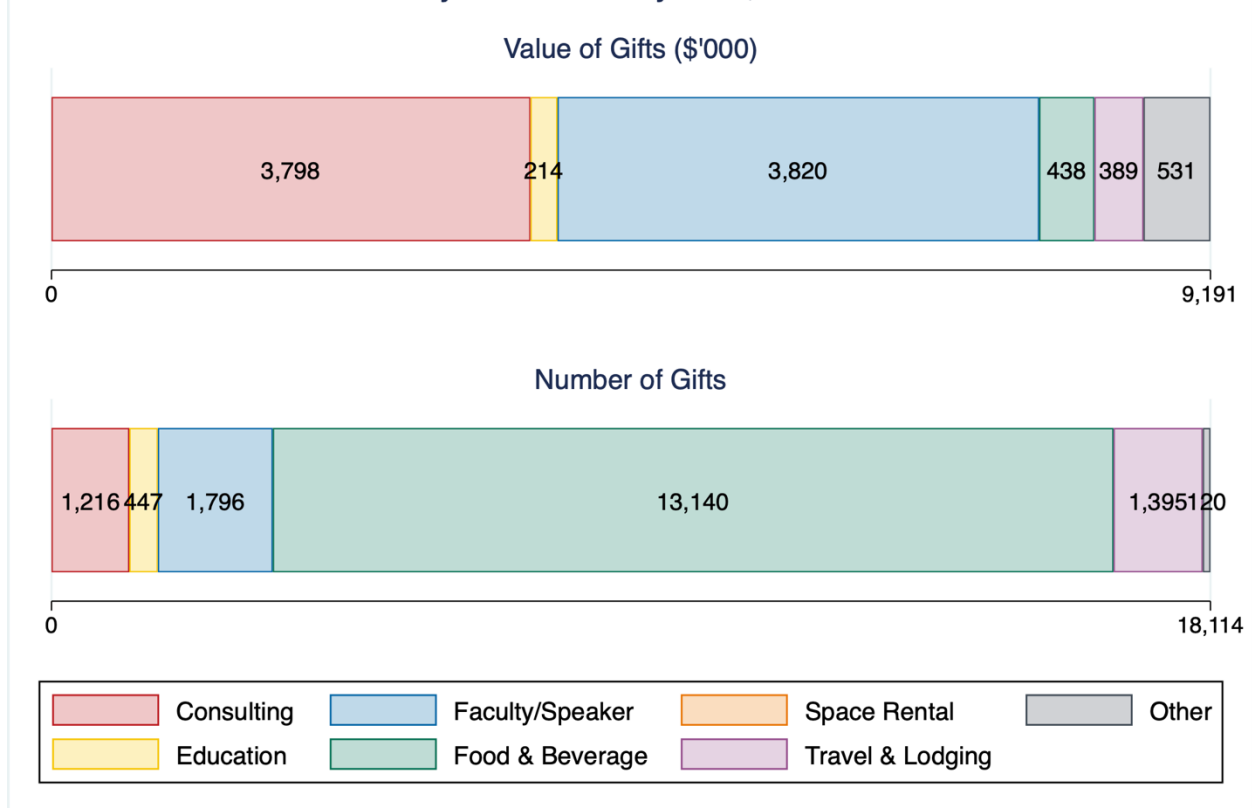
Travel and lodging and education were the remaining two significant categories, although they accounted only for a fraction.

¹ The 2019 District of Columbia Physician Workforce Profile is the most recent year available. Accessed on December 16, 2021. <https://www.aamc.org/media/37876/download>

Table 7. Gifts to Physicians by Nature of Payment, 2020

Nature of Payment	Count	Total Value (\$)	Highest Value (\$)	Median Value (\$)
Faculty/Speaker	1,796	3,819,589	258,948	1,320
Consulting	1,216	3,798,480	400,286	1,600
Other	120	531,033	89,900	148
Food & Beverage	13,140	438,236	50,000	20
Travel & Lodging	1,395	389,268	8,650	157
Education	447	214,279	5,433	61
Total	18,114	9,190,886	400,286	23

Figure 2. Value and Number of Gifts to Physicians by Nature of Payment, 2020



Top 25 Physicians

Open Payments provides publicly available data, including the names of physicians who received payments. Table 8 shows the names and medical specialties as well as the number and total value of gifts received by the 25 physicians in the District of Columbia with the highest total gift values in 2020. The gifts to these 25 individuals summed to \$4.5 million and represented about half of all gifts made to physicians.

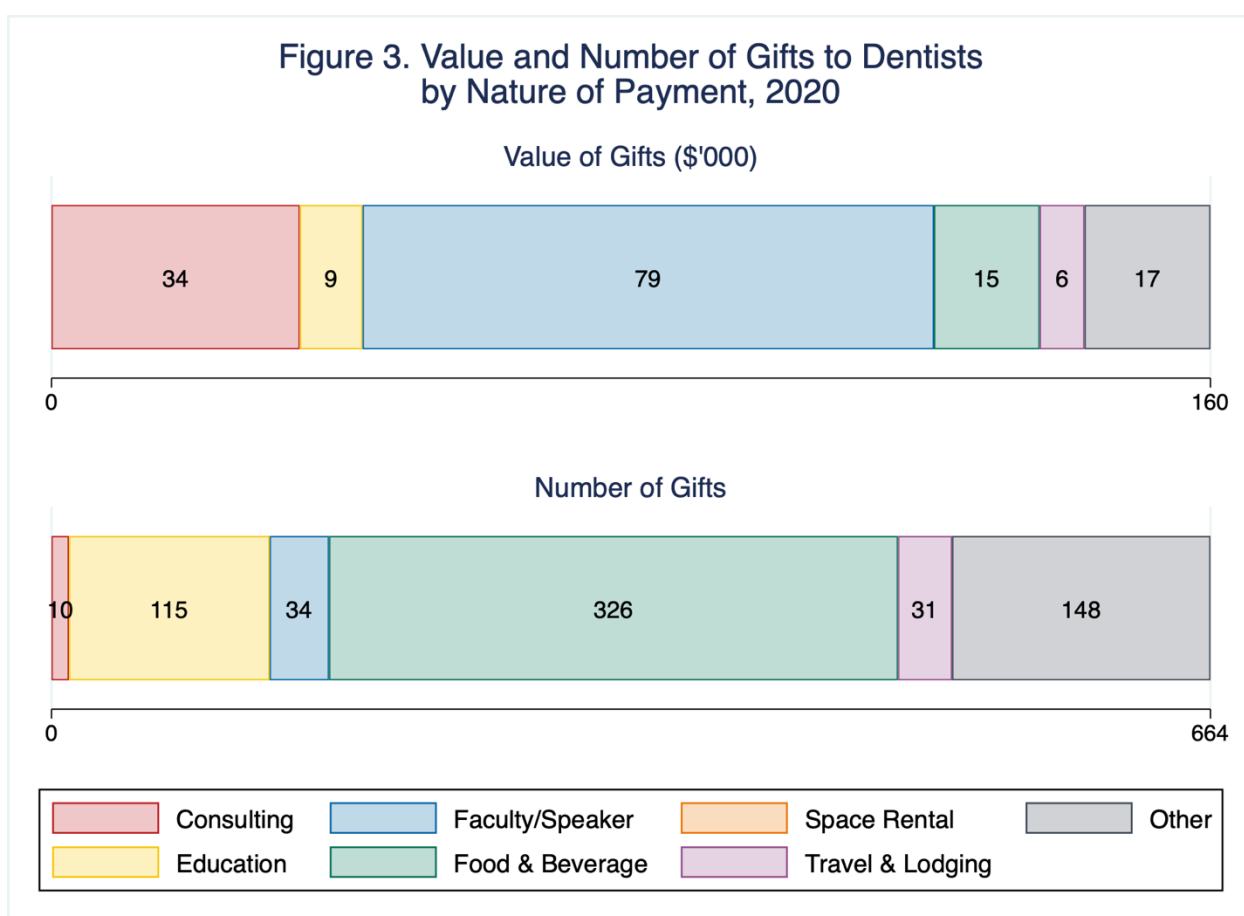
Table 8. Top 25 Physician Gift Recipients, 2020

Rank	Name	Specialty	Number of Gifts	Total Value of Gifts
1	Margaret Hamburg	Internal Medicine	5	459,036
2	Peter Carson	General Practice	123	417,591
3	Jonathan Silverberg	Dermatology	148	294,574
4	Jesse Goodman	Internal Medicine	1	258,948
5	Stephen Mitchell	Internal Medicine	6	256,831
6	Laxman Bahroo	Psychiatry & Neurology	273	240,040
7	Seyed Kalantar	Orthopaedic Surgery	41	209,109
8	Warren Yu	Orthopaedic Surgery	77	208,597
9	Fahd Amjad	Psychiatry & Neurology	229	186,818
10	Yasar Torres-Yaghi	Psychiatry & Neurology	202	169,356
11	Jessica Ailani	Psychiatry & Neurology	156	150,294
12	Fernando Pagan	Psychiatry & Neurology	136	149,638
13	Fred Mo	Orthopaedic Surgery	43	142,456
14	Andrea Singer	Internal Medicine	144	135,726
15	James D'Orta	Emergency Medicine	14	133,163
16	Imadeddine Tabbara	Internal Medicine	95	130,717
17	Robert Shin	Psychiatry & Neurology	87	124,451
18	Alexander Kim	Radiology	207	119,184
19	Autumn Burnette	Internal Medicine	162	114,274
20	Bruce Cheson	Internal Medicine	37	111,272
21	Wayne Olan	Radiology	77	107,138
22	Gary Mintz	General Practice	25	107,051
23	Andrea Leonard-Segal	Internal Medicine	29	93,768
24	Brian Barry	Psychiatry & Neurology	3	92,103
25	Gaby Moawad	Obstetrics & Gynecology	115	86,626

Dentists

In 2020, 664 distinct gifts to dentists were reported. The total value of gifts reported to this group of individual recipients was \$159,712.

As was the case for physicians, speaking was the largest category by value among gifts to dentists; it accounted for about half of the total value of gifts to dentists. The average value of this gift type was \$2,323. Consulting constituted the second largest category by value; it accounted for one out of every five dollars. As in years past, food and beverage items were by far the most common gifts; about every other gift was made in the form of food or beverages.



Top 10 Dentists

Table 9 presents the top 10 dentists who accepted the highest total value of gifts in 2020, provided by Open Payments.

Table 9. Top 10 Dentist Gift Recipients, 2020

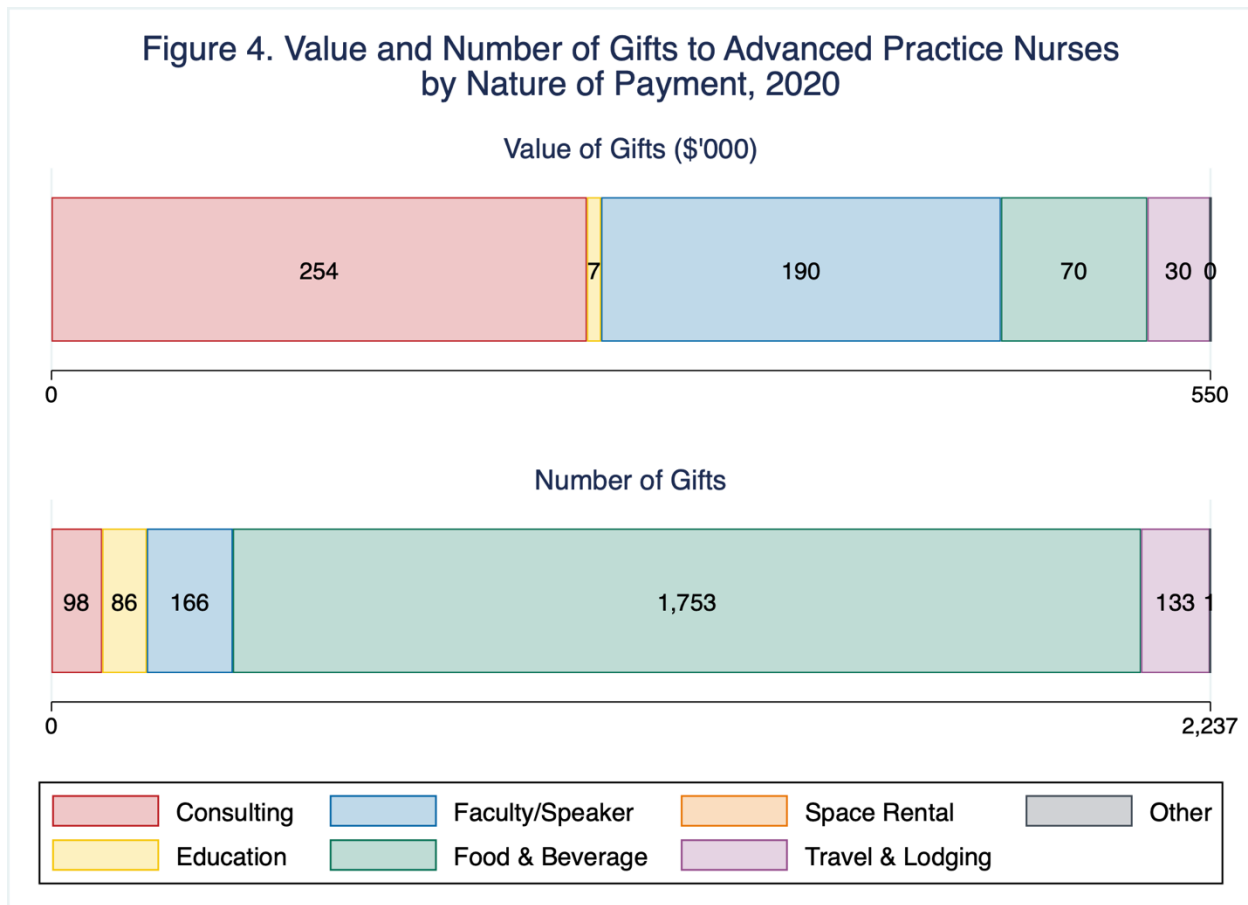
Rank	Name	Number of Gifts	Total Value of Gifts
1	Brian Gray	34	72,600
2	Scott Hetz	30	39,751
3	Benjamin Watkins	1	5,326
4	Armin Abron	32	3,779
5	Hamid Shafie	6	1,906
6	Sheila Samaddar	7	1,509
7	Ashkan Yousefi	13	1,158
8	Michael Landy	2	1,074
9	Kolade Akinwande	12	1,006
10	Joseph Catanzano	8	805

Advanced Practice Nurses

The group of advanced practice nurses also includes nurse practitioners, nurse-midwives, and nurse anesthetists; all have independent prescribing authority in the District of Columbia. In 2020, this group received a total of \$550,489 in gifts, which is similar to the amount received in prior years.

\$254,331, or 46% of the total value of gifts to this group, was categorized as consulting. The second largest category by value was speaking (\$189,916 or 34%), with the remainder largely made up by the “food and beverage” and “travel and lodging” categories.

Items in the “food and beverage” category accounted for nearly eight out of every ten gifts made to this group, summing to 1,753 gifts (78%) out of the total 2,237 reported gifts. Travel and lodging accounted for the second largest share of gifts (166 gifts, 7%).

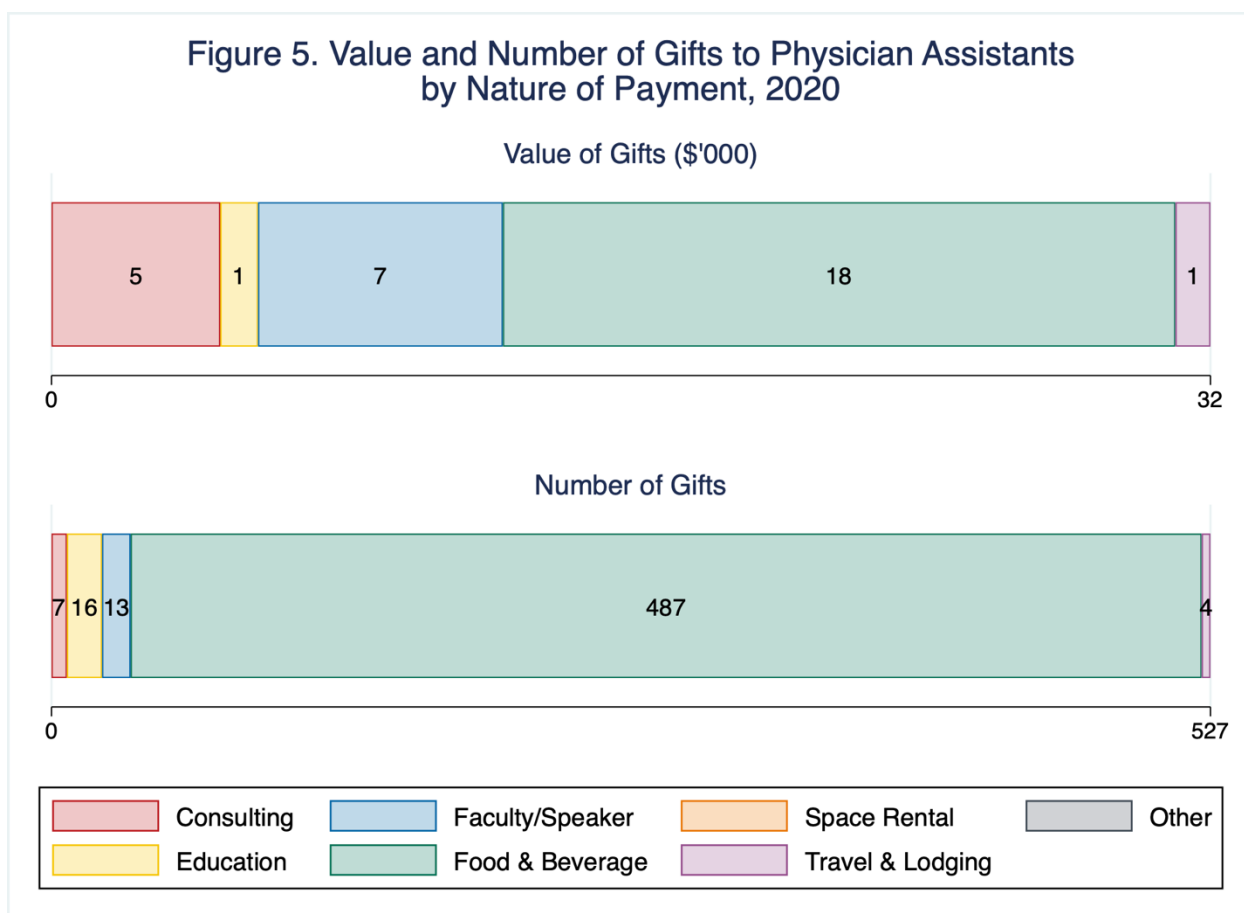


Physician Assistants

Physician assistants are independent prescribers and received a total of \$31,782 in 2020. This total was lower than the total in 2018.

Most gifts to physician assistants were categorized as “food and beverage”, totaling \$18,442 and representing 58%. The average gift size in this category was just under \$40. Speaking represented the second largest share at \$6,715 or 22% of the value of all gifts to this group, with an average gift size of \$530. Gifts in the consulting category summed to \$4,629 or 16% of the total value, at an average gift size of \$715.

The vast majority of gifts to this group were categorized as “food and beverage”, making up 92% of all gifts to physician assistants. Items in the other categories accounted for less than 3%.

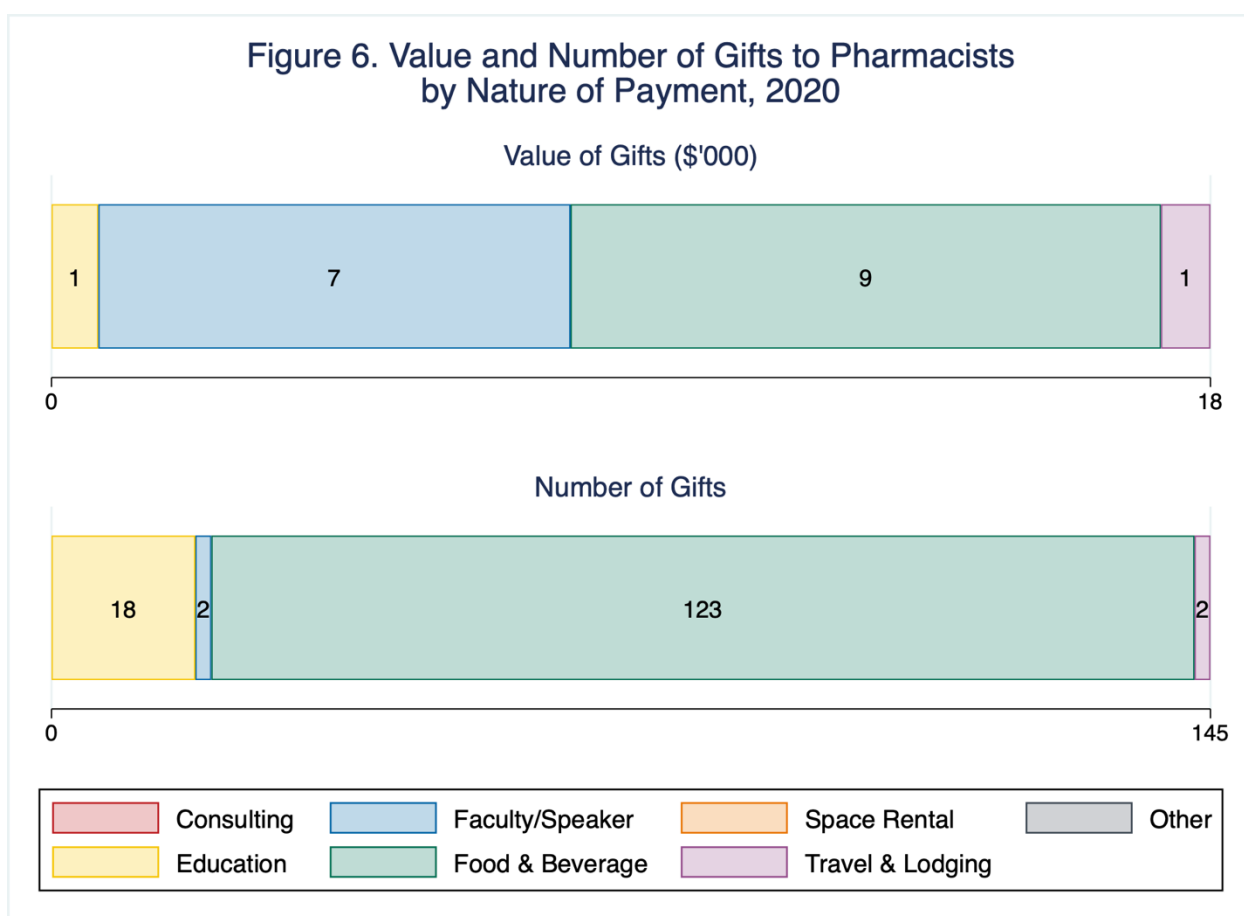


Pharmacists

Pharmacists received a total of \$17,897 in gifts in 2020. Pharmaceutical companies reported 145 distinct gifts to pharmacists.

Food and beverage items accounted for most gifts, both in total value and number. Pharmacists received 123 gifts categorized as “food and beverage” totaling \$9,117 (50% of the group total). The next largest category was speaking, which summed to \$7,292 (39%). Education and “travel and lodging” summed to \$723 and \$765, respectively (4% each).

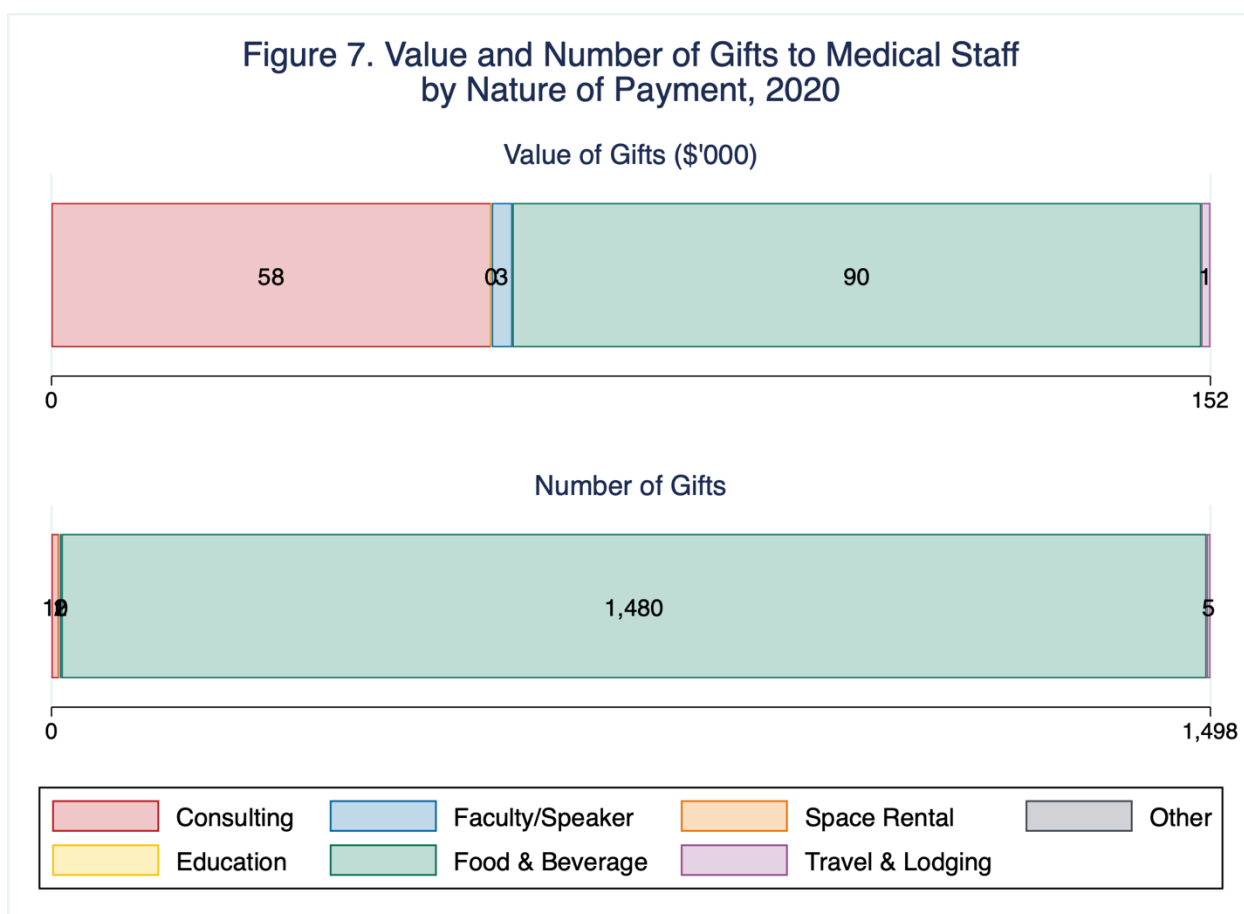
About 85% of all reported gifts to pharmacists fell into the “food and beverage” category. 12% fell into the education category. The other categories accounted for less than 2% each.



Other Medical Staff

Other medical staff include healthcare professionals not covered by the recipient types discussed above, such as social workers and psychologists. 1,498 gifts to this group were reported in 2020, totaling \$151,869.

Nearly all gifts fell into the “food and beverage” category. The value of these gifts amounted to \$90,245 or 59% of the group total. The average gift size of this type was \$61. Gifts in the consulting category summed to \$57,646 or 38% of the group total. Although very slight in number, the average gift size of this type was more than \$3,000. Speaking engagements and gifts in the “travel and lodging” category were relatively small in total value and number.



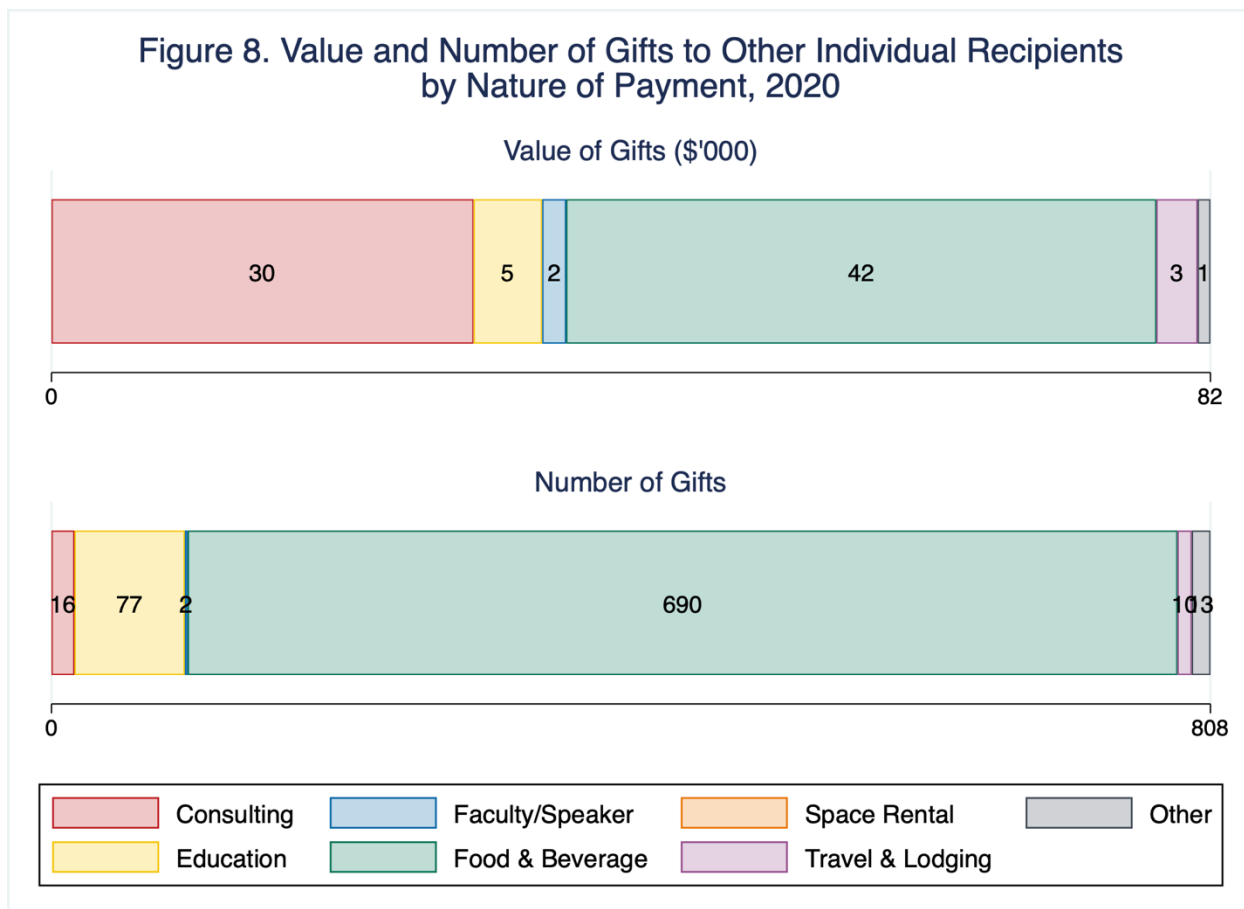
Other Individual Recipients

The group of other individual recipients includes administrative staff and persons who do not fall into any of the other recipient types discussed above. These individuals received 808 gifts totaling \$82,292 in 2020.

Food and beverage accounted for the largest gift type in number and value. Members of this group received 690 gifts categorized as “food and beverage”, totaling \$41,909, or \$60 on average. 85% of all gifts to this group fell into this category.

Consulting gifts constituted the second largest category, totaling \$29,975 in value. They were small in number, 16, and the average gift size of this type was \$1,876.

77 or 9.5% of all gifts were categorized as education. Their total value summed to \$4,867, or 6% of the group total.



II.b. Institutional Recipients

Companies report payments to teaching hospitals through Open Payments. The AccessRx program collects information on gifts to various other types of organizations, including advocacy organizations, non-teaching hospitals and clinics, and universities.

Institutional recipients received a total of \$9.5 million in 2020.

As with physicians, if a company does not report a payment to a teaching hospital through Open Payments due to a special circumstance, the payment is meant to be reported to AccessRx.

Starting on the next page, we present results for each type of institutional recipient.

Teaching Hospitals

The 2020 Open Payments data include the following nine teaching hospitals in the District:

1. Children's National Hospital
2. George Washington University Hospital
3. Georgetown University Hospital
4. Howard University Hospital
5. National Rehabilitation Hospital
6. Providence Hospital
7. Sibley Memorial Hospital
8. St. Elizabeth's Hospital
9. Washington Hospital Center

These nine teaching hospitals received 193 gifts totaling \$4.0 million in 2020, about 13% less than in 2018.

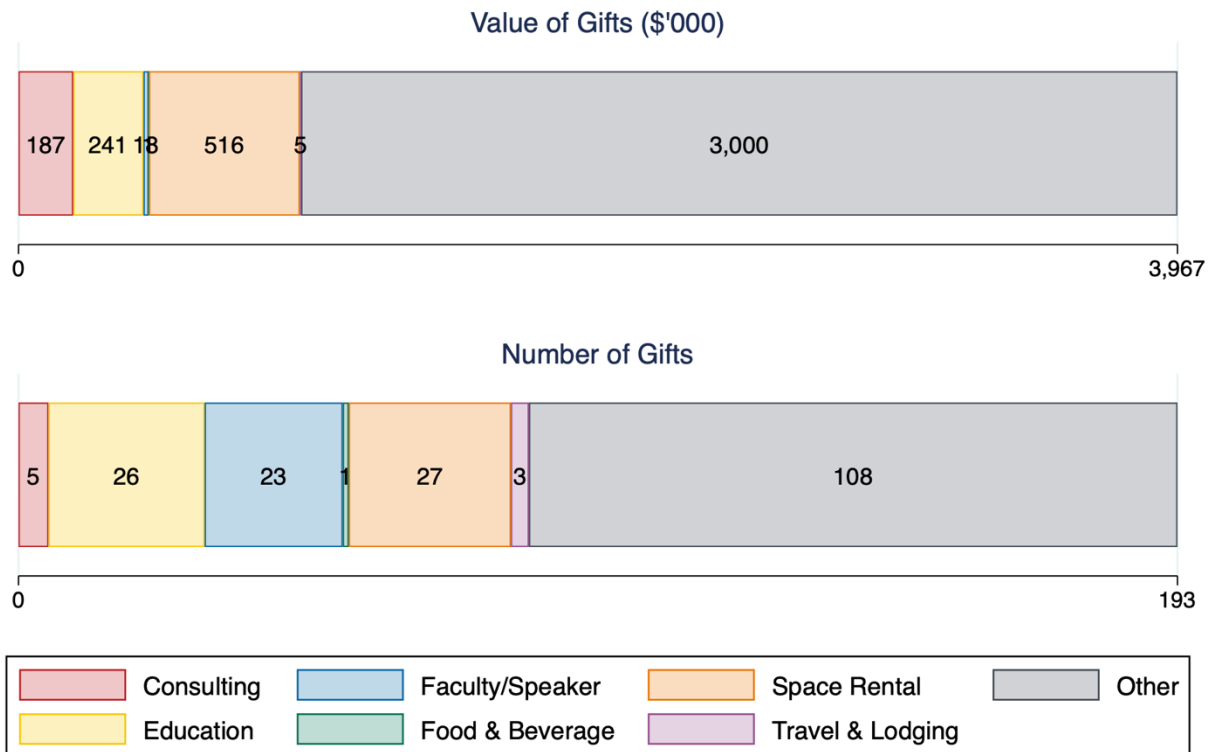
Pharmaceutical manufacturers and labelers reported the highest number (93) and the largest total (\$2.5 million) and median (\$5,000) value of gifts to Washington Hospital Center. It received close to half (48%) of all gifts and 63% of their total value. Georgetown University Hospital received the second largest number (29) and value (\$615,324). Children's National Hospital ranked third in total value (\$588,991) and fourth in number (19), with George Washington University Hospital ranking third in number (24) and fourth in total value (\$108,983). Reported gifts to Howard University Hospital, National Rehabilitation Hospital, and St. Elizabeth's Hospital made up less than 1% of the total number and value.

Table 10. Gifts to Teaching Hospitals, 2020

Teaching Hospital	Number	Total Value (\$)	Median Value (\$)
Children's National Hospital	19	588,991	1,775
George Washington University Hospital	24	108,983	2,500
Georgetown University Hospital	29	615,324	2,272
Howard University Hospital	2	1,452	726
National Rehabilitation Hospital	1	500	500
Providence Hospital	10	43,818	250
Sibley Memorial Hospital	14	90,599	1,147
St. Elizabeth's Hospital	1	35	35
Washington Hospital Center	93	2,517,782	5,000
Total	193	3,967,484	3,200

More than three quarters of reported gifts to teaching hospitals were categorized as other (\$3.0 million), largely consisting of grants. Space rental was the second largest category, both in number (27) and total value (\$0.52 million). Gifts classified as education and consulting comprised the third largest category, with 26 gifts totaling \$0.24 million. Speaking engagements accounted for 12% of all gifts to this group but constituted less than 0.5% of the total value, while gifts for consulting accounted for 4.7% of the total value and 2.6% of the total number.

Figure 9. Value and Number of Gifts to Teaching Hospitals by Nature of Payment, 2020

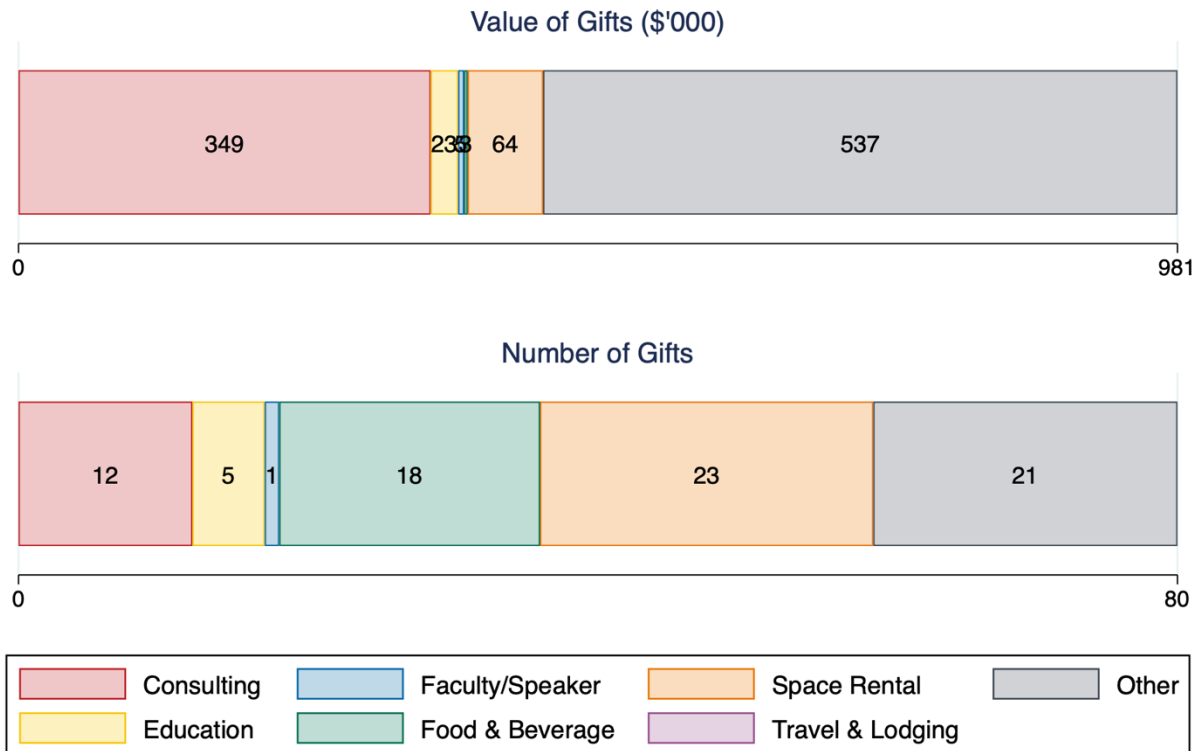


Non-Teaching Hospitals or Clinics

This group includes all organizations that provide medical treatment but have no express teaching mission, such as non-teaching hospitals, clinics, and private practices.

In 2020, gifts to non-teaching hospitals and clinics totaled \$981,117. More than a quarter of all gifts were categorized as “other”. They represented more than half (55%) of the total value of gifts received by this group. Most of these gifts were grants. The largest number of gifts (23) was for space rental. The third largest number of gifts was for food and beverage. The second largest category by value was consulting, accounting for more than a third (36%).

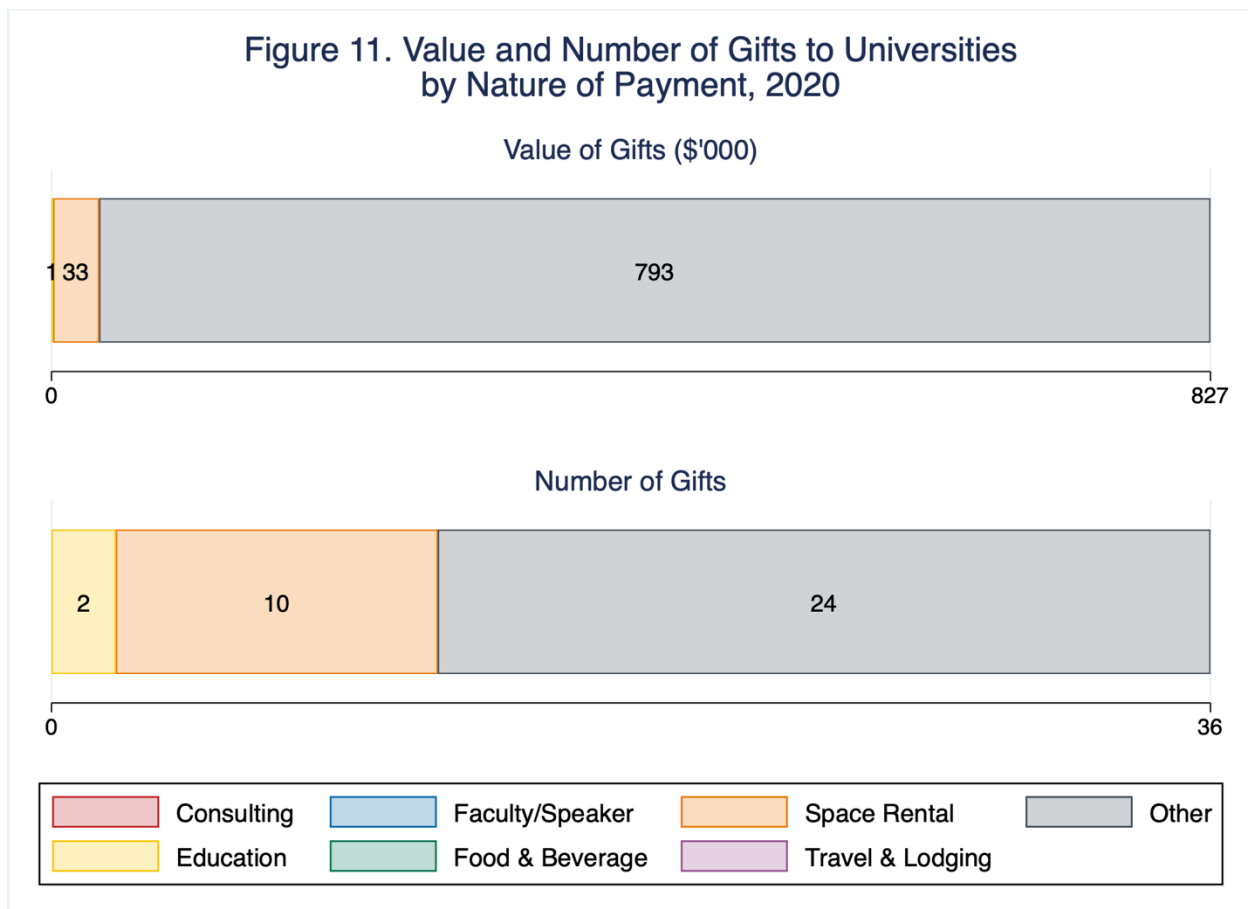
Figure 10. Value and Number of Gifts to Non-Teaching Hospitals or Clinics by Nature of Payment, 2020



Universities

Pharmaceutical manufacturers and labelers reported 36 distinct gifts to universities totaling \$826,738 in 2020.

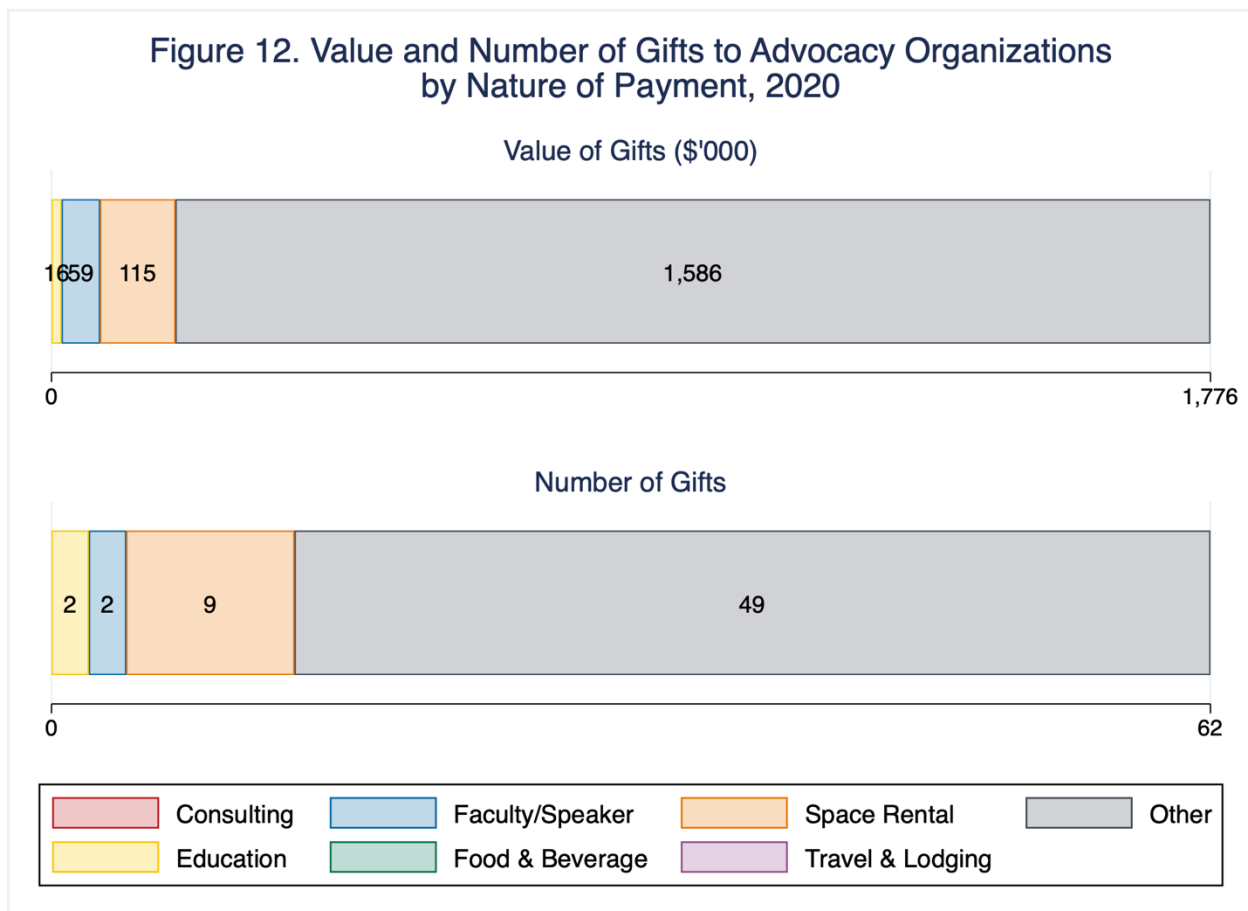
Gifts in the “other” category, mostly grants, accounted for 96% of the total value of gifts to this group and 67% of the total number of gifts. This gift category also exhibited the highest average value at \$33 per gift. Space rental was the second largest category, accounting for 28% of all gifts and 4% of their value. Education was the third largest category.



Advocacy Organizations

Advocacy Organizations include disease-specific advocacy organizations, community-based organizations, and research organizations.

In 2020, pharmaceutical manufacturers and labelers reported 62 distinct gifts to advocacy organizations for a total of \$1,775,800. Nearly nine out of every ten dollars were spent on gifts in the “other” category. Gifts in this category accounted for 79% of all gifts to this group. As was the case for other institutional recipient types, space rental expenses represented the second largest category, accounting for 14.5% of all gifts and 6.5% of their total value. Education expenses and speaking fees accounted for the remainder.

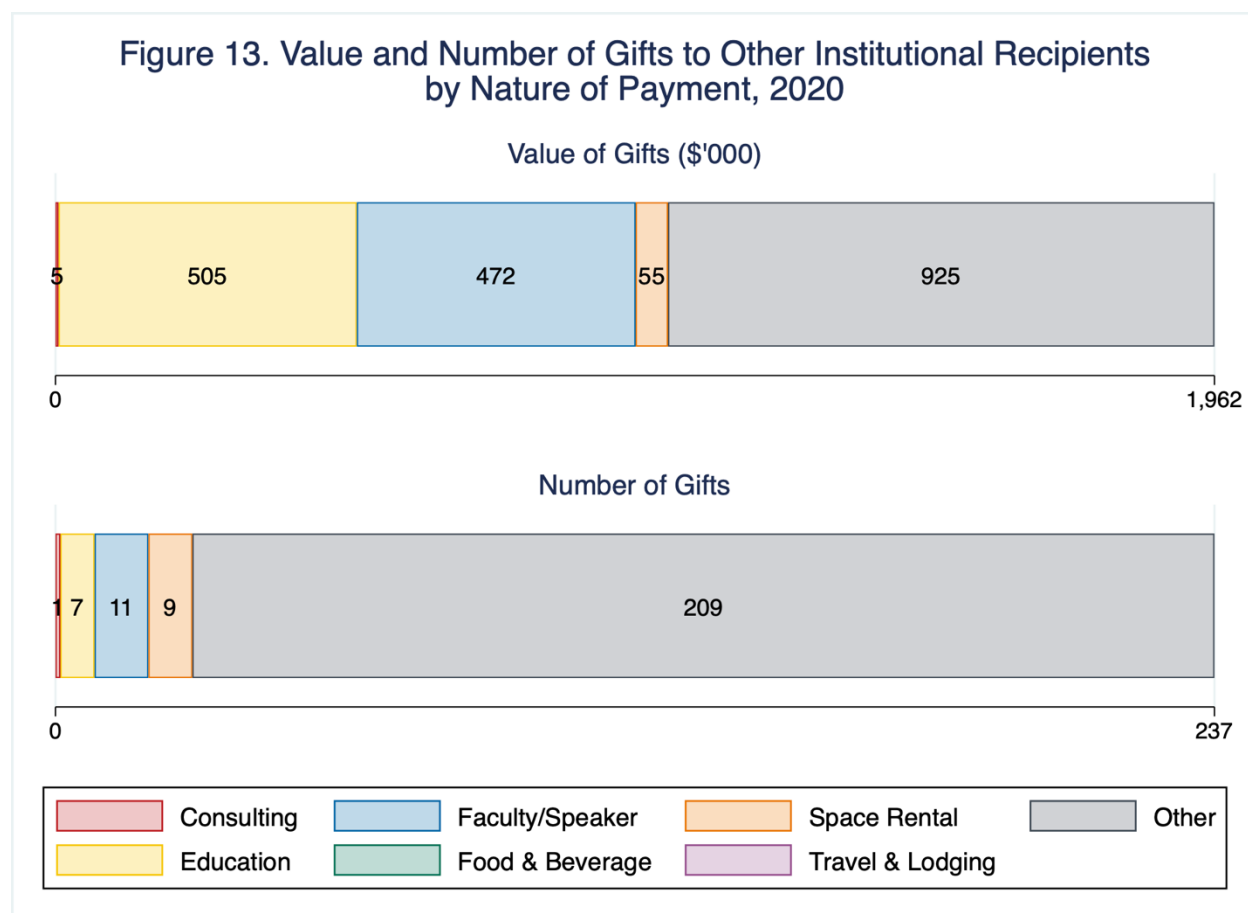


Other Institutional Recipients

Other Institutional Recipients include organizations not included in the groups previously covered in this report, such as advisory board suppliers, limited liability companies, and promotional suppliers.

In 2020, organizations in this residual category received 237 gifts, totaling \$1,961,896.

Gifts in the “other” category were the most frequent, at 209 or 88%. These gifts summed to \$924,971 and represented 47% of the total value of gifts for this group. Education expenses represented the second largest category in value at \$504,900 or 26%, while speaking fees represented the third largest category in value at \$471,915 or 24%. Expenses for consulting and space rental were smaller.



III. Advertising Expenses

Pharmaceutical manufacturers and labelers are required to report their advertising expenses specific to the District of Columbia. However, reporting instructions do not clarify how companies should calculate the expenses. It is unknown whether companies reported the actual cost of advertising in DC or calculated a percentage based on national advertising spending.

Of the 232 companies that reported marketing expenditures to AccessRx in 2020, 99 reported more than 13,000 distinct advertising expenses totaling \$12.4 million. In the following, this report further details these advertising expenses by activity type, medium, and target audience.

Activity Type

In 2020 and consistent with prior years, nearly nine out of every ten dollars in advertising expenses were directed at direct-to-consumer advertising. Market research was the smallest separately identified activity type, accounting for less than 2% of all advertising expense items reported and less than 1% of their total value.

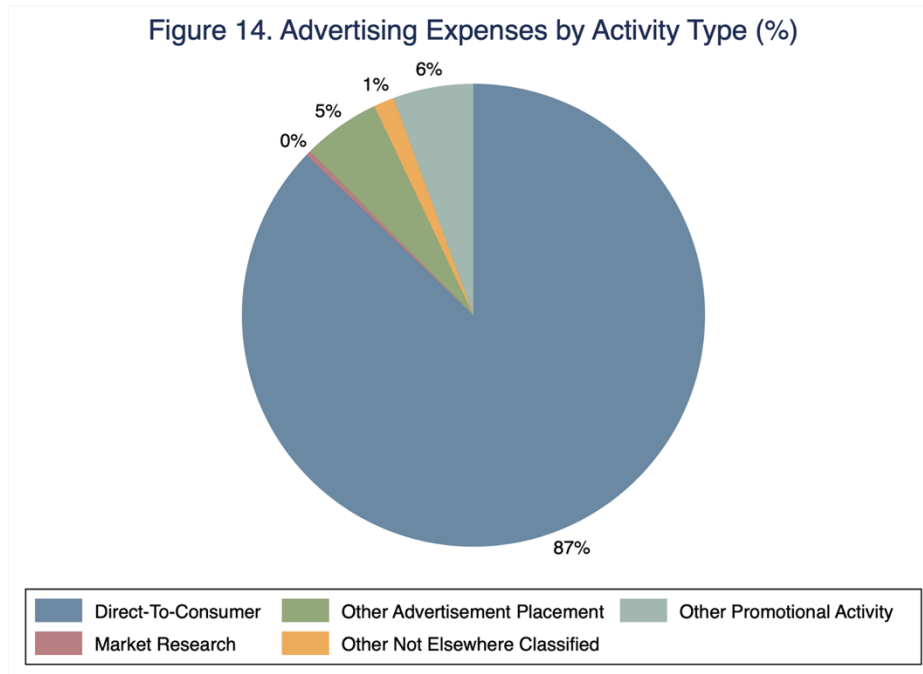


Table 11. Advertising Expenses by Activity Type, 2020

Type of Activity	Number	Total Value (\$)	Median Value (\$)
Direct-To-Consumer	8,845	10,667,117	64
Market Research	234	44,560	72
Other Advertisement Placement	2,503	665,109	43
Other Not Elsewhere Classified	9	175,055	3,585
Other Promotional Activity	1,919	686,663	46
Total	13,510	12,238,504	55

Medium of Communication

Reporting organizations could further classify their advertising expenses by the medium of communication, including radio/television, internet/email, direct mail / display, print, medical journal, and other.

In 2020, nearly three quarters of all advertising expenses used radio or television as the medium, of which television constituted more than 95%. After medical journals (at \$66 per expense), expenses in the radio/television category also commanded the highest median value at \$63 per expense. Advertising via the internet, including email, accounted for 11% of the total value of advertising expenses, while advertising via direct mail or displays or via print media did not exceed 5% of the total value.

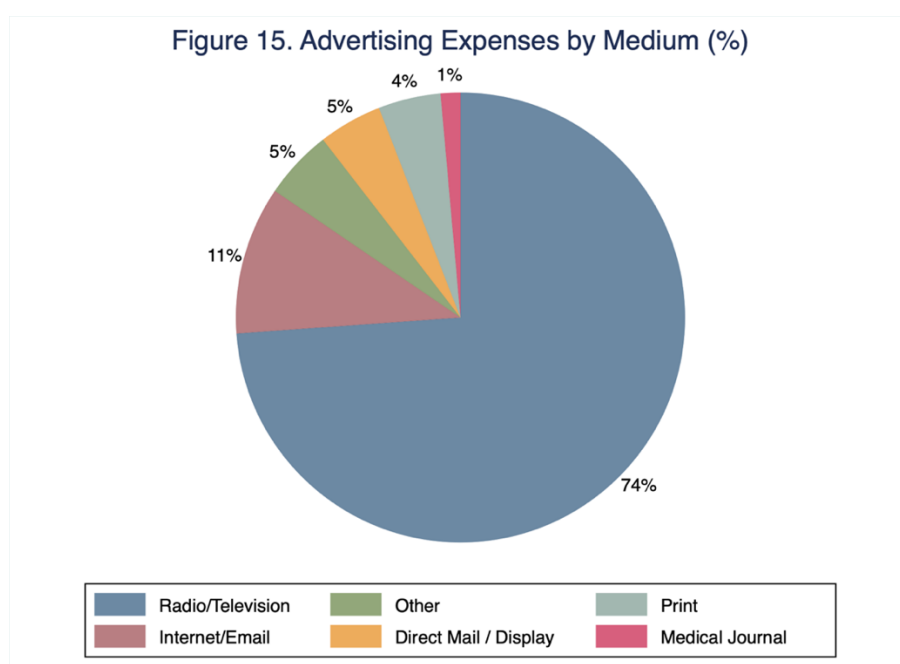


Table 12. Advertising Expenses by Medium, 2020

Medium	Number	Total Value (\$)	Median Value (\$)
Radio/Television	7,597	8,915,711	63
Internet/Email	2,855	1,284,847	51
Other	958	603,614	59
Direct Mail / Display	294	551,627	39
Print	1,157	543,013	30
Medical Journal	644	170,814	66
Total	13,505	12,069,625	55

Target Audience

In 2020, more than nine out of every ten dollars in advertising expenses targeted patients or the general public. Prescribers constituted the second largest target audience both in number and total value, although the median value per expense was the lowest of the three target audiences. Healthcare professionals constituted the smallest target audience, comprising 9.8% of all expense items but just over 2% of the total value.

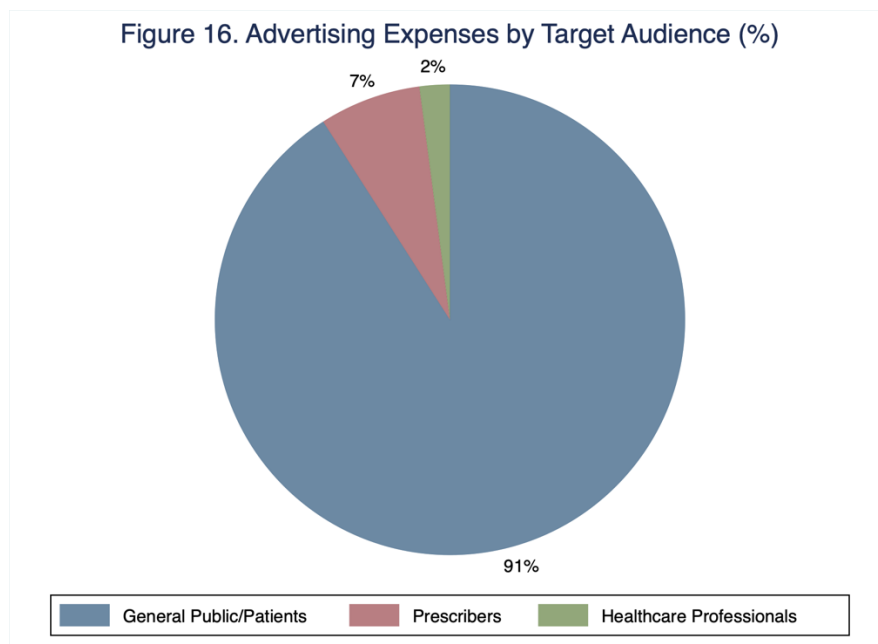


Table 13. Advertising Expenses by Target Audience, 2020

Target Audience	Number	Total Value (\$)	Median Value (\$)
General Public/Patients	9,928	10,944,937	63
Prescribers	2,091	840,125	27
Healthcare Professionals	1,312	250,818	62
Total	13,331	12,035,880	56

IV. Recommendations for the AccessRx Program

Based on the analysis of the 2020 data, we recommend the following changes to AccessRx program policies and practices. These recommendations are intended to strengthen the program's utility, reduce its cost to the submitting organizations and the agency and its partners that administer and evaluate the program, and to make AccessRx data more consistent with the Open Payments data.

1. Improve data reporting instructions to improve the quality of data collected by AccessRx from pharmaceutical companies.

Pharmaceutical companies are given detailed reporting instructions and a list of Frequently Asked Questions (FAQs) when filing marketing expenditure reports. Yet, the team of researchers who prepared this report encountered gaps and inconsistencies in reporting, which in turn limit the validity and reliability of the inference that can be drawn from the data. Some recurring errors included: gift expenditures that were reported to Open Payments; gifts to medical or office staff reported as gifts to individual physicians; including the physician share in the total value allocated to the physician's office; reporting categories inconsistently. Reporting instructions could be simplified and clarified to enhance the contributing organizations' ability and willingness to report their data accurately and completely.

2. Consider transitioning to an online reporting platform.

As recommended in previous years, transitioning AccessRx to an online platform would facilitate data collection, cleaning, and analysis processes. The online system would limit and standardize responses. Furthermore, it will make it easier for companies to deliver complete and comprehensive reports, reducing errors and reducing the need for the AccessRx team to contact companies.

3. Improve compliance and communication among pharmaceutical companies.

If errors or inconsistencies are encountered during the data collection and cleaning process, we must contact the company to gain clarification and resolve issues. The AccessRx Act requires companies to provide contact information for a single individual who is considered responsible for the submission and must be a member of senior management or other high-level official within the pharmaceutical company. We run into a number of issues when contacting companies such as late responses or non-responsiveness, incorrect point of contact, and multiple referrals within the company or to external consultants. Delays in obtaining correct information may result in delays in data analysis. Communication protocols or standards should be put in place to ensure that accurate and complete data are collected and analyzed in an efficient manner.

4. Make searchable summary statistics based on the AccessRx data publicly available, analogous to the Open Payments data base.

Open Payments provides publicly available data on gifts to physicians and teaching hospitals. AccessRx data are confidential, and only the reports produced using the data are available to the public. Only the District of Columbia Department of Health and the individuals preparing the report have access to the information, as stipulated by the AccessRx Act of 2004. Making summary statistics based on the AccessRx data available to the public, perhaps via a searchable online portal, would allow patients and providers to retrieve data pertinent to them faster and more easily, thus allowing both to make better informed decisions.

5. Require the submission of product-level information for gift expenses reported to AccessRx, analogous to the Open Payments requirement.

Open Payments requires pharmaceutical companies to report the marketed name of the drug, device, biological, or medical supply that is associated with the payment listed. This information is beneficial because it allows patients, policymakers, researchers, and the general public to gain insight into how much pharmaceutical companies are spending on marketing for specific drugs or products within the District of Columbia and across the United States. AccessRx currently does not require this level of detail for the information it collects. By requiring companies to report the marketed product or products associated with payments to AccessRx, the District of Columbia Department of Health can provide DC residents, policymakers, and other stakeholders noted above with more information about the relationships between pharmaceutical companies and healthcare providers.

6. Require device manufacturers to report to AccessRx, consistent with Open Payments requirements.

Open Payments, but not AccessRx, requires reporting by device manufacturers. AccessRx requires reporting by any “manufacturer or labeler of prescription drugs dispensed in the District that employs, directs, or utilizes marketing representatives in the District” and a total of 192 companies submitted to AccessRx in 2020. By comparison, Open Payments requires the reporting by “manufacturers of drugs, devices, biologicals, or medical supplies” and a total of 528 companies reported to Open Payments in 2020. Data collected from device manufacturers and marketers will allow for a more comprehensive understanding of marketing expenditure trends in the District. Moreover, this addition would enable AccessRx to be more consistent with Open Payments, which strengthens the evidence base and resulting policy implications provided by the two data collection efforts.

Appendix A: AccessRx Program Requirements

Title III of the AccessRx Act of 2004² requires that any “manufacturer or labeler of prescription drugs dispensed in the District that employs, directs, or utilizes marketing representatives in the District” annually report marketing costs for prescription drugs in the District. §48-833.03 describes the content of the annual report:

(a) Except as provided in subsection (b) of this section, the annual report filed pursuant to §48-853.02 shall include the following information as it pertains to marketing activities conducted within the District in a form that provides the value, nature, purpose, and recipient of the expense:

- (1) All expenses associated with advertising, marketing, and direct promotion of prescription drugs through radio, television, magazines, newspapers, direct mail, and telephone communications as they pertain to District residents;
- (2) With regard to all persons and entities licensed to provide health care in the District, including health care professionals and persons employed by them in the District, carriers licensed under Title 31, health plans and benefits managers, pharmacies, hospitals, nursing facilities, clinics, and other entities licensed to provide health care in the District, the following information:
 - (A) All expenses associated with educational or informational programs, materials, and seminars, and remuneration for promoting or participating in educational or informational sessions, regardless of whether the manufacturer or labeler provides the educational or informational sessions or materials;
 - (B) All expenses associated with food, entertainment, gifts valued at more than \$25, and anything provided to a health care professional for less than market value;
 - (C) All expenses associated with trips and travel; and
 - (D) All expenses associated with product samples, except for samples that will be distributed free of charge to patients; and
- (3) The aggregate cost of all employees or contractors of the manufacturer or labeler who directly or indirectly engage in the advertising or promotional activities listed in paragraphs (1) and (2) of this subsection, including all forms of payment to those employees. The cost reported under this paragraph shall reflect only that portion of payment to employees or contractors that pertains to activities within the District or to recipients of the advertising or promotional activities who are residents of or are employed in the District.

(b) The following marketing expenses are not subject to the requirements of this subchapter:

- (1) Expenses of \$25 or less;

² District of Columbia Official Code. AccessRx Act of 2004. Accessed December 15, 2021.
<http://doh.dc.gov/sites/default/files/dc/sites/doh/publication/attachments/AccessRx-Act-of-2004.pdf>.

- (2) Reasonable compensation and reimbursement for expenses in connection with a bona fide clinical trial of a new vaccine, therapy, or treatment; and
- (3) Scholarships and reimbursement of expenses for attending a significant educational, scientific, or policy-making conference or seminar of a national, regional, or specialty medical or other professional association if the recipient of the scholarship is chosen by the association sponsoring the conference or seminar.

The manufacturer or labeler must file the report by July 1st of each year, in the form and manner provided by the Department of Health. §48-833.04 describes the report that the Department must then provide to the City Council:

By November 30th of each year, the Department shall provide an annual report, providing information in aggregate form, on prescription drug marketing expenses to the Council and the Corporation Counsel. By January 1, 2005, and every 2 years thereafter, the Department shall provide a report to the Council and the Corporation Counsel, providing information in aggregate form, containing an analysis of the data submitted to the Department, including the scope of prescription drug marketing activities and expenses and their effect on the cost, utilization, and delivery of health care services, and any recommendations with regard to marketing activities of prescription drug manufacturers and labelers.

§48-833.04 addresses confidentiality:

Notwithstanding any provision of law to the contrary, information submitted to the Department pursuant to this subchapter is confidential and is not a public record. Data compiled in aggregate form by the Department for the purposes of reporting required by this subchapter is a public record as long as it does not reveal trade information that is protected by District, state, or federal law.

Chapter 18 of Title 22 of the District of Columbia Municipal Regulation specifies which information must be included in annual reports in each of the three categories (advertising expenses, marketing expenses, aggregate costs).

Appendix B: Open Payments Program Requirements

The Patient Protection and Affordable Care Act of 2010 established the Open Payments system through the Centers for Medicare and Medicaid Services. The regulation was promulgated on February 8, 2013, requiring data collection beginning on August 1, 2013. 42 CFR Parts 402 and 403 requires³ “applicable manufacturers of drugs, devices, biologicals, or medical supplies covered by Medicare Medicaid or the Children’s Health Insurance Program (CHIP) to report annually to the Secretary [of the Department of Health and Human Services] certain payments or transfers of value provided to physicians or teaching hospitals...”

(a) General rule:

(1) Direct and indirect payments or other transfers of value provided by a manufacturer to a covered recipient during the preceding calendar year, and direct and indirect payments or other transfers of value provided to a third party at the request of or designated by the applicable manufacturer on behalf of a covered recipient during the preceding calendar year, must be reported by the applicable manufacturer to CMS on an annual basis.

(b) Covered Products:

(1) Any drug, device, biological, or medical supply that is eligible for payment by Medicare, Medicaid, or CHIP either individually or as a part of a bundled payment (such as the inpatient prospective payment system), and requires a prescription to be dispensed (for drugs and biologicals) or requires premarket approval by, or premarket notification to, the U.S. Food and Drug Administration (for devices, including medical supplies that are devices).

(c) Recipients for whom gifts must be reported:

(1) Physicians, which include those with credentials of Doctor of Medicine, Doctor of Osteopathy, Doctor of Dentistry, Doctor of Dental Surgery, Doctor of Podiatry, Doctor of Optometry, or Doctor of Chiropractic Medicine.

(2) Teaching Hospitals that received payment for Medicare direct graduate medical education (GME), inpatient hospital prospective payment system (IPPS) indirect medical education (IME), or psychiatric hospitals IME programs during the last calendar year.

(c) Limitations. Certain limitations on reporting apply in the following circumstances:

(1) \$10, indexed to inflation, provided total payments to a recipient less than \$100 a year.

(2) Applicable manufacturers that had less than 10 percent gross revenue during the fiscal year preceding the reporting year from covered products are only required to report payments or other transfers of value related to covered products, not all products.

(3) Drug samples intended exclusively for distribution to patients are excluded from the reporting requirements (see rule for more)

³Federal Register. 42 CFR Parts 402 and 403. Accessed December 15, 2021.
<https://www.gpo.gov/fdsys/pkg/FR-2013-02-08/pdf/2013-02572.pdf>.