

Physician Direct and The Sunshine Act*

The payments companies make to **Physician Direct** to participate in meetings do not qualify as a payment or transfer of value from a vendor to a physician. Therefore, these meetings do not trigger Sunshine Act reporting requirements. That is the opinion of a leading compliance attorney who consulted with **Physician Direct**.

The primary purpose of **Physician Direct** one-to-one meetings is to facilitate the advancement of science and patient care. It is necessary for providers and medical company representatives to periodically exchange information to further these objectives. Medical company representatives need to inform providers about new technology and updates to and new knowledge about existing technology, and providers need to provide feedback on existing technologies as well as on needs and opportunities. **Physician Direct** aids in that process.

Vendors pay into a pool of funds to participate in **Physician Direct** meetings and **Physician Direct** uses a portion of this fund pool to compensate doctors for participating in **Physician Direct** meetings. However, under no circumstances do monies flow directly from vendors to specific physicians.

No vendor may pay extra to meet with a specific physician. No physician may receive additional compensation for agreeing to meet with a specific vendor. No other form of consideration will be accepted or permitted to secure a meeting between a specific physician and a specific vendor. Physicians are compensated according to fair market value. Currently each physician receives \$400/hour to participate. However, **Physician Direct** reserves the right to compensate different physicians differently according to their market value as determined by policy. Factors in determining fair market value may include items such as productivity, leadership positions, and the practice of a specific sub-specialty.

Vendors may pay different levels, but these different levels will be based on discounts related to the frequency, quantity, or total value of participation in these events and has no relationship to the actual physicians with whom the vendor meets.

Additional notes:

The meetings involve a two-way flow of information. Vendors need to seriously consider the advice and information they receive from physicians in these meetings and carefully document that process.

Depending on what's being discussed, we urge vendor participants to have representatives present who are members of the medical team, the R&D team, the market access team, or senior leaders/executives who are in direct communication with these teams.

*The National Physician Payment Transparency Program (Open Payments), a.k.a. Sunshine Act, is a section of the Patient Protection and Affordable Care Act of 2010.