

## Paying off doctors

One MNC says it will stop, but what about Indian companies?

**I**n a decision that should have far-reaching implications, GlaxoSmithKline has said it will stop paying doctors for promoting its drugs. This is the first corrective measure from a leading player in an industry that has for long been accused of unethical sales practices by governments, regulators and activists alike. A few months ago, GlaxoSmithKline was accused by the Chinese authorities of bribing doctors, hospitals and government officers so that it could sell at higher prices. Last year, the company had pleaded guilty to criminal charges in the United States that it illegally promoted drugs and withheld drug safety data, and agreed to pay \$3 billion as a settlement. This recent decision must lead to some soul-searching amongst the world's other pharmaceutical companies.

In India, inducements for doctors can be even more brazen. And the doctors see them as perquisites that come with the job — seldom does a doctor get penalised for accepting gifts. These inducements can range from stationery to rare pets, cars, overseas trips for the family and even taking care of a child's wedding. Since the medicine prescribed by a senior doctor is likely to be followed by juniors, the inducements increase with seniority and influence. The consequences for public health are serious — many doctors in India continue to prescribe cough syrups, though elsewhere they went out of use some decades ago. The indiscriminate prescription of antibiotics has made India a major source of superbugs. And when doctors write expensive drugs instead of inexpensive ones, patients do not buy the recommended dosage and run the risk of under-medication.

Indian pharmaceutical firms blame it on extreme competition. Since they cannot advertise prescription drugs, the only way left is to "market" them to the doctors. Indeed, there are hundreds of brands for every off-patent medicine in the market. That's because there is a whole army of generic drug makers in the country — a legacy of the pre-2005 process-patent raj, when companies could make any drug so long as they used a modified process. Even infringements of process patents were overlooked. Now, therefore, a share of four or five per cent is enough to lead the market. But the fact that it has become such a big issue in the West, where there are fewer companies, shows that it is a systemic problem and the sector is in urgent need of regulation the world over.

In the United States, pharmaceutical companies have been asked to disclose to the government all payments to doctors, which may be posted online. That could be the first step towards transparency in India too. At the moment, there are no clear estimates of how much money pharmaceutical companies spend on doctors every year. Some in the industry have even suggested appointing an ombudsman who can look into such complaints. Since it is a global problem, the department of pharmaceuticals could compare notes with regulators in other countries. This is a problem that needs to be fixed.

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