

13 July 2005

The Hon. Peter Costello MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

I am writing about the issue of promotion of pharmaceuticals through doctors' prescribing software. In particular, I would like to bring to your attention the promotion of pharmaceuticals in "Medical Director", the prescribing software used by most Australian GPs. As you may be aware, the current issue of the *Medical Journal of Australia* (MJA) contains an article analyzing the prevalence and impact of this advertising, and the authors call for a ban on this practice.

I note that in the *Sydney Morning Herald* you were quoted on Wednesday 13 April as "forecast[ing] a tougher approach on the advertising of drugs", saying that the controversial arthritis drug Celebrex had been "pumped up very significantly over a short period". We welcome these comments. The Australian Consumers' Association agrees that the over-promotion of pharmaceuticals may change doctors prescribing habits and lead to increasing costs for the PBS.

When doctors prescribed using paper script pads advertising was not permitted. Now that prescribing and medical record-keeping takes place online advertising is permitted. The advertising cannot be turned off by the doctor. The advertising is disruptive and may encourage inappropriate prescribing. In many cases it can easily be seen by the patient, which could induce demand for particular brands of medicine.

Key points from the article in the MJA include the following:

- The advertising viewer displayed 79 different advertisements for 41 prescription pharmaceutical products marketed by 17 companies. Only one generic manufacturer was represented.
- Most of the advertisements contained claims that appeared to be in breach of various aspects of the Medicines Australia Code of Conduct.

- There was an absence of PBS listing information in many of the advertisements studied despite Medicines Australia and member companies agreeing to implement an initiative announced in the 2002 Federal budget that all pharmaceutical promotional items (advertisements, printed promotional material, etc.) would include detailed PBS disclosure information.
- The generic name of the drug was regarded by expert reviewers as illegible in many cases.

ACA believes that this form of advertising is not in the interests of consumers, doctors nor indeed the Pharmaceutical Benefits Scheme. In terms of advertising in prescribing software, we believe that current self-regulation (ie. the industry self-regulatory system of the Medicines Australia Code of Conduct) is insufficient to protect the interests of consumers or the PBS.

Should the Government decide to take a tougher approach to drug advertising, insisting on the removal of advertising from prescribing software would be a useful place to start. ACA would support such a move by the Government.

I have also written to the Hon. Tony Abbott, Minister for Health and Ageing, on this issue.

Should you wish to discuss the issue further, please contact me on 02 9577 3225.

Yours sincerely

Peter Kell
Chief Executive Officer

cc. Rob Heferan - General Manager, Social Policy Division, Treasury
Jane Halton - Secretary, Department of Health and Ageing