

Transparency Reporting - Frequently Asked Questions

TRANSFERS OF VALUE TO HEALTHCARE PROFESSIONALS - REPORTING

Q: HOW DO WE REPORT WHO THE PAYMENTS ARE BEING MADE TO?

There are three categories for assigning payments:

- The healthcare professional ('HCP'): a payment or transfer of value received by the individual healthcare professional
- The HCP's employer: a payment or transfer of value received by the institution/clinic. Payments made to a business account (clinic, etc) where the HCP undertaking the activity is the sole director of that business, should be reported as being paid to the HCP.
- Third Party: donations to charity or similar. It is not meant to capture payments made to airlines or hotels (this is assigned to the HCP).

Q: THE HEALTHCARE PROFESSIONAL DOESN'T WANT THEIR DATA DISCLOSED, CAN WE JUST NOT REPORT?

If the healthcare professional does not want their data reported, they cannot receive the payment or transfer of value. There is no longer an avenue for companies to report aggregated data (non-identified payments), or for a healthcare professional to opt out.

- The HCP can opt to not receive payment for their work, and where there is no transfer of value, there is no need to report.
- Should the healthcare professional choose to donate their value or payment to a charity of their choice, but still receive the value in the first instance, this remains reportable.
- Should the healthcare professional request that a third party (such as a research institute or charity) receive their payment or value on their behalf, this is reportable, because a transfer of value has occurred in lieu of the healthcare professional keeping that value/payment (see definition of Third Party as per above question)

Q: VERIFICATION - WHAT IF THE HEALTHCARE PROFESSIONAL DOESNT RESPOND?

All companies should provide healthcare professionals with a period of at least six weeks to review, verify or correct collected information about payments and transfers of value relating to them. However, if the HCP does not provide the confirmation requested and remain uncontactable, it is reasonable to rely on the contractual agreement that will have acknowledged the payment will be declared. This would allow the information to be published as is, with no amendment. Should the HCP identify an issue at a later date – after it has been reported – reports may be amended.

Q: WHAT ARE MY REPORTING RESPONSIBILITIES WHERE THERE ARE OVERSEAS PARTIES INVOLVED?

The Code of Conduct is only concerned about payments made to Australian healthcare professionals by the Australian affiliate. The rationale is to provide transparency for Australian patients about how the healthcare professionals who care for them interact with Australian pharmaceutical companies.

- If Australian money is used to sponsor/support an event in Australia, for the benefit of Australian healthcare professionals, it needs to be reported. It should not matter if the Third Party event organizer is an overseas entity or based overseas.
- If Australian money is used to sponsor/support a healthcare professional from another country who are not caring for Australian patients, such as a US-based Specialist giving a series of educational presentations, it does not need to be reported as a transfer of value to that HCP (but likely to be reportable as a Third Party Educational Event sponsorship).
- If an overseas affiliate of Global HQ pays for an Australian HCP to engage in activity, or supports the HCP's attendance at an educational meeting and then subsequently bills the Australian affiliate member company, that should be reported because ultimately it is the Australian affiliate member company who has sponsored.
- Similarly, if an Australian affiliate passes on the costs/payments to an overseas company or Global HQ, this means the Australian company is not, in effect, making the transfer of value, and it is not reportable. However, it would be inconsistent with the principle of transparency for this to be a regular practice, and such arrangements should not be made in order to avoid transparency of payments and transfers of value to Australian HCPs.

To simplify this:

Global HQ + Australian HCP = NOT REPORTABLE

Australian affiliate + Australian HCP + Global activity = REPORTABLE

Global HQ + Australian HCP - Global charges Australian affiliate = REPORTABLE

Australian affiliate + Australian HCP - Australian affiliate charges Global HQ = NOT REPORTABLE



Why not take a look at how and what other companies report?

All Medicines Australia members are committed to transparency in their interactions with healthcare professionals and other stakeholders.

See [Disclosure Australia website](#) for all transfers of value to healthcare professionals and [Medicines Australia website](#) for support and sponsorships to third party educational events and Health Consumer Organisations.

THIRD PARTY EDUCATIONAL EVENT REPORTING

Q: WHAT'S THE BEST WAY TO REPORT IF WE HAVE MULTIPLE LOCATIONS FOR ONE EVENT?

It depends on what information you have available – the requirement is simply to be transparent about the activity. If you pay a singular amount to an event organiser and they determine how it is split across locations, or physical/virtual formats, then it may be easier to list as a single entry with details of the locations. If they are individual payments per location, it can be listed individually

Q: WHEN DO WE NEED TO REPORT HOSPITALITY COSTS/SUPPORT ?

Companies are required to report hospitality where it is included in the overall sponsorship costs of an event, where it be a known component.

- If a company's event sponsorship specifically and solely covers hospitality, and this support is paid to the third-party event organizer, this is reportable.
- However if hospitality is the only cost associated with the event, and that payment is made directly to the supplier (and not the event organiser), this transaction is not reportable.

Applying this rationale, if a Pharma representative buys a healthcare professional a coffee during an educational exchange, this is not reportable. Similarly, if a company supports an educational event by paying a restaurant directly for the hospitality provided at the event, this is not reportable (however please remember any hospitality spend needs to be complaint with the Code). Once any event sponsorship extends beyond hospitality (such as AV costs), then the sponsorship, including any hospitality component, becomes reportable.

Q: IF AN EVENT SPONSORSHIP PACKAGE INCLUDES COMPLIMENTARY EVENT REGISTRATION FEES WHICH IS PASSED ONTO A HCP, IS THAT REPORTABLE ?

Yes, the registration should be reported as a transfer of value for the individual healthcare professional. The HCP is receiving from the company the value of the conference registration, which the HCP would otherwise have to pay for themself.

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HEALTH CONSUMER ORGANISATION SUPPORT REPORTING

Q: WHICH ORGANISATIONS DO WE REPORT? IS THERE A DEFINED LIST?

This report should capture events and activities that work primarily to benefit patients, rather than healthcare professionals.

Medicines Australia no longer compiles a list of agreed HCOs. Medicines Australia previously called out a number of organisations that were not considered HCO under the Code definition (and therefore were excluded from reporting). This guidance has since been retracted as the types of organisations industry engages with have changed. Companies are asked to report activities with organisations that meet the definition set out in the Code (see Glossary section in the Code).

Q: IF WE SPONSOR A CHARITY EVENT THAT FUNDRAISES FOR A PARTICULAR DISEASE, DO WE NEED TO REPORT THIS?

If a company sponsors the event directly, and that support is not made through or as part of any arrangement with a health consumer organisation, it is not reportable.

If any such support or payment is made to that event as part of engagement with a health consumer organisation, then it will need to be reported.

GENERAL QUESTIONS

Q: WHAT DATE DO WE USE TO REPORT?

For transfers of value to healthcare professionals, you need to report the date the payment or transfer of value is made:

- If a healthcare professional issues an invoice in December for activity conducted in October, you report it at the time you make the financial transfer (e.g. December)
- If the flight is booked in October, but isn't taken until December, you report it at the time they took the flight (same goes for conference registrations/hotel bookings)

But, for third-party educational event sponsorships, you need to report the date of the event:

- If you sponsor an event scheduled for October, but you make the payment in September, you report it when the event happened (eg. October)
- If you sponsor multiple events over a period of time, you can either report as a single contribution or as multiple activities – just make it clear.

Q: HELP! WE HAVE MISSED DATA FROM OUR REPORTS - WHAT DO WE DO?

Add them to the current reporting round. There is no need to go back and update previous reports in terms of payments.

- Some HCP's invoice late and the payments don't fall within the same reporting period. If it's a transfer of value to a HCP, we ask that our members send any additional data along with their next reporting round, dated with the activity date. This then updates those older datasets and those activities are returned when that healthcare professional's name is searched through the database Disclosure Australia. This satisfies transparency requirements.
- If its Third Party or HCO sponsorship, then we would recommend adding them to the current reporting round, and also amending the appropriate reporting page to let people know of additional reports that have come in and where they can be accessed.

Q: WHOSE RESPONSIBILITY IS IT REPORT? IS IT ONLY MEMBER COMPANIES?

Transparency reporting is a requirement for all Medicines Australia members, as part of their compliance with the Medicines Australia Code of Conduct. It is not a requirement for non-members, however Medicines Australia encourages and supports non-member companies to report, in the spirit of transparency.

The Code does not apply to event organisers, nor healthcare professionals, and they do not need to report. The sponsor company is the party that discloses their support for certain activities.

Q: CAN WE REPORT OUR SPONSORSHIP IN TWO REPORTS SIMULTANEOUSLY?

Do not duplicate reporting. Best to choose the most appropriate reporting arm and list it there, not across multiple reports. The Code Help Desk can help you with any dilemmas you are facing, and there is information on the Medicines Australia website as to how the purposes behind each of the three types of transparency reporting.

There is no overlap in the definitions of reportable transactions. If an event is organised by a health consumer organisation (HCO), then this is the most appropriate form or reporting mechanism to list that support. Ultimately these will capture events and activities that work primarily to benefit patients. A Third Party Educational event/meeting/symposia will capture sponsorships to independently organised events, designed to educate healthcare professionals.



"Companies are committed to transparency in their interactions with healthcare professionals and other stakeholders, to maintain trust and confidence in the industry."

- OVERARCHING PRINCIPLE 2, CODE OF CONDUCT