



## KJT 411

News & Events

Reserve your seat today for our next webinar—**Health Facility Purchasing Process Considerations in Response to Shifting Healthcare Delivery Models**. With increased formation of health systems and networks, the Affordable Care Act, and shrinking budgets, manufacturers are navigating increasingly complex and varied purchase decision processes within healthcare delivery facilities. This webinar will shed light on how products and services are evaluated, and we will share methodological considerations when conducting market research among purchasers, influencers, and users. [Register now!](#)

## Monthly Insight

An additional 1.5 million deaths could be prevented across the globe if more people were immunized according to the [World Health Organization](#). August is National Immunization Awareness Month.



## Maintaining Compliance

Change is constant; this certainly applies to the compliance, codes and standards that we uphold as a contributing member of the market research industry. Everyone might be familiar with the CASRO Code of Ethics, or the MRA Code, but these will soon be refined given the recently emerged *Insights Association*. The *Insights Association* Standards Committee is working hard to draft a new code that is expected later in 2017. Just a few months later, in May 2018, the *EU General Data Protection Regulation (GDPR)* is slated to replace the *EU-US and Swiss-US Privacy Shield Frameworks*. This privacy protection requirement enables US businesses to receive and process personal data from these countries once the EU organi-

zation is guaranteed adequate protection of personal data. The new framework is expected to update and harmonize privacy and data protection laws across Europe.

Bringing things closer to home, at a regional level, states also pass laws limiting the “cash” and “gifts” provided to healthcare professionals. While these laws were intended to minimize influence over HCPs’ prescribing decisions from pharmaceutical sales representatives, they have expanded over time to include market research studies as well. Some states limit the maximum value (e.g., \$50 for HCPs residing in Minnesota) while other states preclude any payment (e.g., Vermont and Maine).

In the coming months, the most pivotal bill is California S.B. 790 – which would ban most payments from the pharmaceutical industry to healthcare providers. The *Insights Association* and *PMRG* are working diligently to amend this bill, before it is made law, to create an exception for respondent incentives that are part of a blinded market research study. Within a few months, we will know more about this law which will impact approximately 1 million healthcare professionals for future research studies. Stay tuned for more updates! - *Michaela Gascon, MBA, Chief Operating Officer*



## California Health Care Providers: Gifts and Benefits Update

Recently, the California State Senate passed Senate Bill 790 (Health Care Providers: Gifts and Benefits) which would, effective January 1, 2019, "prohibit a manufacturer of a prescribed product from offering or giving a gift to a health care provider." While the language of the bill may change as it passes through the State Assembly, the version that currently passed the California Senate includes an amendment, approved by Pharmaceutical Marketing Research Group (PMRG) and the Insights Association, that excludes "bona fide marketing research" from the bill.

Similar bills have been passed before. The Sunshine Act requires manufacturers of drugs, medical devices, or biologics to report any payments or transfers of value to the Centers of Medicare and Medicaid Services (CMS)<sup>1</sup>. In 2009, Vermont passed a law banning manufacturers of prescribed products from giving most gifts to health care providers<sup>2</sup>. In Minnesota, gifts to physicians are limited to no more than \$50<sup>3,4</sup>. Considering that, physicians reported 84% had some industry relationship<sup>5</sup>, and in California drug manufacturers spent more than \$1.4 billion on gifts to physicians<sup>6</sup>, laws such as these attempt to increase finan-

cial transparency and objectivity of opinion between health care providers and manufacturers of prescribed products.

However, these same laws have also been shown to negatively affect health providers from participating in market research. One study reported that only about 6% of general practice and 5% of specialty practice physicians would participate in market research in the absence of an honorarium<sup>7</sup>. Some drug manufacturers have opted to exclude research in states where these laws are enacted<sup>8</sup>. As the laws governing the health care market research landscape changes, we may need to reconsider how we motivate individuals to participate in market research. - *Lily Martin, Research Assistant*

### Sources:

1. Department of Health and Human Services, "Medicare, Medicaid, Children's Health Insurance Programs; Transparency Reports and Reporting of Physician Ownership or Investment Interests; Final Rule," Federal Register 78 no. 27 (2013):9458-528.
2. <http://www.policymed.com/2015/02/physician-payments-sunshine-act-vermont-gift-ban-and-disclosure-law-update.html>
3. <http://www.policymed.com/2010/02/state-policy-minnesota-clarifies-restrictions-on-payments-to-physicians.html>
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## MACRA Health Care Payment Reform

The Medicare Access and CHIP Reauthorization Act (MACRA), which went into effect in 2017, is poised to drive payment reform in the US: moving from a fee-for-service system to a value based care system. This act implements a new Medicare reimbursement formula, which bases reimbursement on clinician performance in improving patient outcomes. MACRA's objective is to reduce health care costs and improve quality of care to patients.

While MACRA is aiming to increase productivity among doctors, many believe the burdensome law will decrease the amount of time providers have with patients. For example, increased quality reporting will also increase the amount of time a physician needs to spend in their EMR, leading to less face-to-face time

with the patient. Physicians already spend 2 hours on the EMR for every 1 hour they spend directly with patients. This could make the problem even worse. Small and rural facilities are also having trouble finding the time and resources to implement the technology that is required for MACRA reporting.

One trend seen over the past year, possibly due to MACRA, is an 11% increase in Accountable Care Organizations (ACOs). ACOs, which are groups of different health care providers, tie payments to quality metrics. Joining an ACO could ease the heavy reporting burdens that MACRA places on smaller facilities. As a result of MACRA's passage, other possible trends include life science companies focusing more on technology to help physicians

with the many reporting metrics, and buying changes if there is a move to ACOs and larger practices.

While there are still some uncertainties surrounding MACRA, value-based reimbursement is the future of Medicare reimbursement, and will profoundly change the health care system in the US. - *Mike Lionetti, Research Assistant*

## In September's Issue:

- Programming and Questionnaire Design
- Health Care Expectations by Generation