

# ETHICS

Panel 1 "EXTERNAL ENVIRONMENT AND TRENDS"

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e**thics**



INTERNATIONAL  
SOCIETY OF  
HEALTHCARE  
ETHICS AND  
COMPLIANCE  
PROFESSIONALS

C L I F F O R D  
C H A N C E

# Content

- Fair Market Value
- Conflict of Interest
- Transparency

# Fair Market Value

A decorative vertical image on the left side of the slide showing several glass containers with colorful liquids (purple, green, red, yellow) on a white lattice surface.

# Fair Market Value

## General Principle

- Principle of Equivalence
  - The primary principle to consider in determining appropriate compensation
  - Compensation should be appropriately tied to the services provided by healthcare professionals
- EFPiA requirement (Section 14.01 (d)):
  - *“the compensation for the services is reasonable and reflects the fair market value of the service provided”*
- Pre-defined Fair Market Values for typical interactions reduce the risk of overpayments / hidden benefits
- Comparable services are remunerated with the same amount

A decorative vertical image on the left side of the slide showing several glass containers with colorful liquids (purple, green, red, yellow) on a white lattice placemat.

# Fair Market Value

## Abstract Criteria (I)

- Qualification of the physician
  - experience of the HCP with the company's products or relevant competing products
  - expertise and general reputation in the professional community (national/international)
  - frequent presenter in the relevant community (national/international)

A decorative background image on the left side of the slide, featuring several glass containers filled with different colored liquids (purple, green, red, yellow) on a white lattice surface.

# Fair Market Value

## Abstract Criteria (II)

- Qualification of the task
  - amount of documentation required
  - ancillary tasks (e.g. speaking **and** moderating)
  - geographic location of the HCP and the location in which the services will be provided
  - title, number of publications, influence of publications, number of international awards, etc.
- Qualification of market value
  - Check that compensation reflects market conditions
  - To be based on empirical knowledge

A decorative vertical image on the left side of the slide showing several glass containers with different colored liquids (purple, green, red, yellow) on a white lattice placemat.

# Fair Market Value

## Standardization Tools

- Fair Market Value may be based on hourly or daily rates
- Companies should establish internal guideline which is oriented in consideration market standards
- Enhancing factors must carefully be documented in order to justify exceptions
- “Benchmark Study” on Fair Market Value may help to determine the Fair Market Value
- Cross-checks with collective labour agreements and other benchmarks etc.
- Comparable services are remunerated with the same amount

# Conflict of Interest

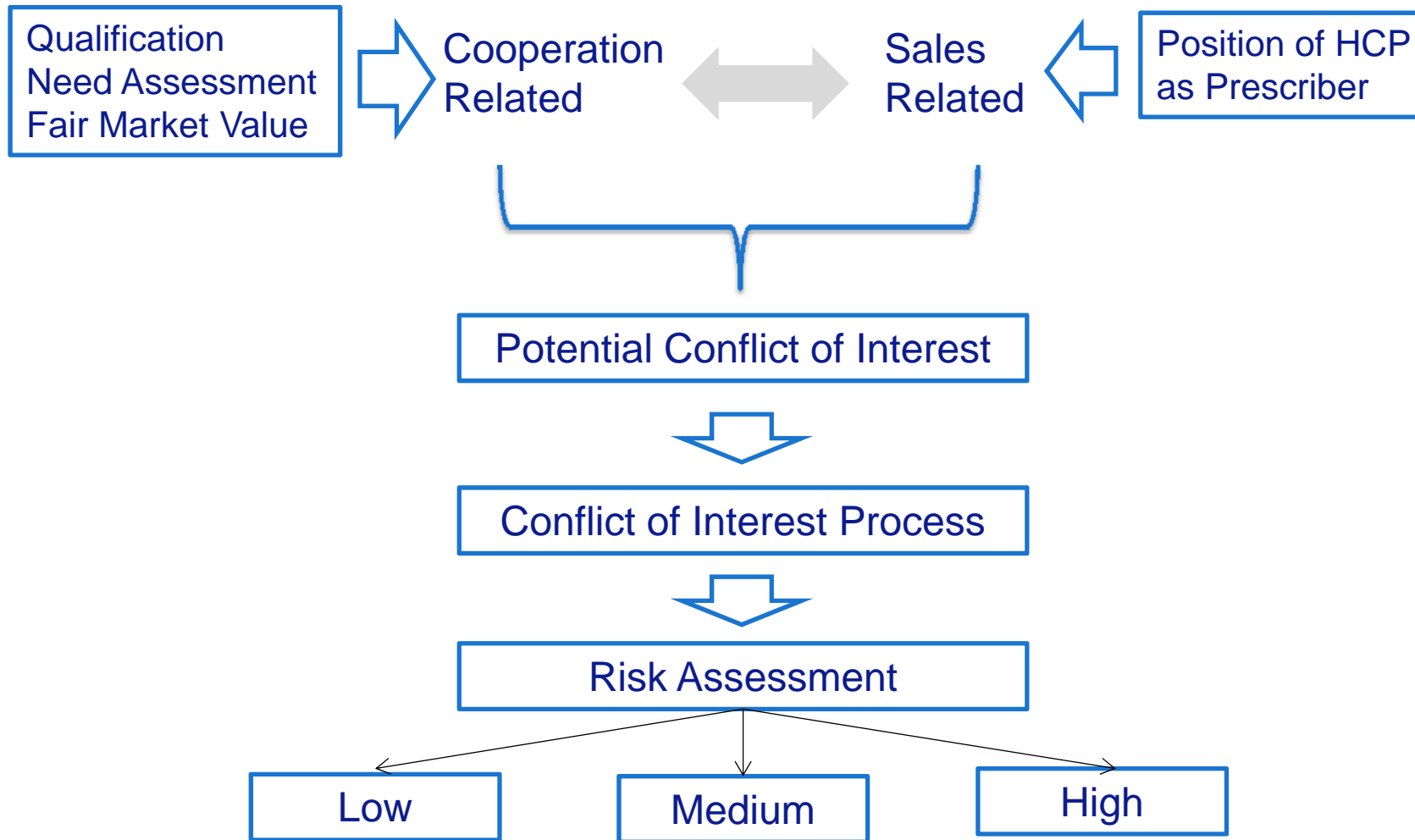


# Conflict of Interest Overview

- Objective of Conflict of Interest Check
  - Assess and identify potential conflict of interest
  - Identification of individual HCPs in a position of influence
  - Identification of public officers
- Conflict of Interest Check as specific part of “usual” Third Party Due Diligence
- Increasing trend in the pharmaceutical industry to screen individual HCPs as contract partners
- Risk based approach
  - Low Risk
  - Medium Risk
  - High Risk
- Risk mitigation measures depending on risk level



# Conflict of Interest Overview



# Transparency



# Transparency

- Different developments and options
  - UK model: driven by trade association / no individual figures to be disclosed
  - Dutch model: arrangement of trade association with individual figures to be disclosed
  - French model: statutory law / individual figures to be disclosed
  - EFPIA model: European harmonization for researching manufacturers
- French law might become the role model for Europe

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