

Direct & Indirect Sponsorship of HCPs to 3rd Party organized conferences – China perspectives



Stephanie Chew | Compliance Director, Greater China | Medtronic



3rd Party conferences sponsorship model in China

- **Laws & Regulations and industry code:**
 - ❑ Anti-unfair competition law
 - ❑ MOH regulations - “Blacklist”, “9 prohibits” and “HCOs receiving donations from companies”
 - ❑ AdvaMed Code of Ethics on Interactions with Healthcare Professionals in China: adopted the new Code at its March 9, 2015 and effective Jan 1, 2016
- **Key objective is to maintain:**
 - ❑ **Right intention** – providing continuous medical education to promote scientific knowledge, medical advancement, and the delivery of effective health care
 - ❑ **Transparency** – knowing where the fund is used and with proper documentation / records
- **Procedures:**
 - ❑ **Selection:** Invited HCPs should be selected by institution or organizer
 - ❑ **Payment:** Travel expenses should not be reimbursed directly to HCPs. Usually, companies will arranged the logistics (air-ticket, accommodation and transportation) with an evaluated and qualified 3rd party service providers at the consent of HCPs employer.
 - ❑ **Documentation (2 options):**
 - Solicitation letter from HCOs indicating the HCPs to be sponsored and authorizing the arrangement of logistic by the company.
 - Notification to hospital on the interest of sponsoring HCPs to attend a conference and requesting for their nomination of HCPs with the option of either sponsorship paid directly to HCOs or authorizing the company to arrange logistic for HCPs.



Challenges of phasing out “Direct Sponsorship” in China

- **Macro – environment:**
 - China, a large country, with great disparity in infrastructure between Tier one, two, three....cities.
 - Level of playing field – local vs. foreign investment
- **Ambiguity of Laws and Regulations**
 - Does China regulators differentiate between 3rd Party and Manufacturer organized conferences / events?
 - Different interpretation of laws and regulations in each province
 - No clear and certain country-wide written law
- **Indirect model of providing Educational Grants**
 - Lack of established conference organizer especially for provincial level vs. national conferences/events
 - Risk of providing Educational Grants to Associations and/or Foundation: Who are the board members and how do they keep their books and records?
 - Challenges of providing Educational Grants to Hospital: Local AIC interpretation uncertain
 - Might lose transparency of how the funds is being used – hard to execute the right to audit clause
 - Did physician really receive the adequate training?

Is a right direction but how do industry associations help emerging region to ensure continuous medical education and what's the time frame for the change?