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Cancer Drug Representatives Spelled Out the Way to Profit

By [ALEX BERENSON](#)

Medicare's decision to reform the way it paid for [cancer](#) drugs came after a decade in which oncologists collectively made billions of dollars on the drugs they prescribed. Many doctors say those profits did not affect their prescribing patterns.

But drug makers evidently believed that they did. Industry documents that have emerged in a federal civil lawsuit in Boston show that big pharmaceutical companies sometimes calculated to the penny the profits that doctors could make from their drugs. Sales representatives shared those profit estimates with doctors and their staffs, the documents show.

In one PowerPoint presentation from 2000, a [Bristol-Myers Squibb](#) executive told employees that oncologists' biggest concern was "Reimbursement Today, Reimbursement Tomorrow, Reimbursement!"

Dr. Robert Geller, an oncologist who worked in private practice from 1996 to 2005 before leaving to join a biotechnology company, said that cancer doctors knew the profits they could make and in some cases would change treatment regimens or offer unnecessary care to make extra money.

"It's clear that physicians stopped making decisions based on what made scientific or clinical sense in lieu of what made better business sense," Dr. Geller said.

As the use and price of cancer drugs skyrocketed during the 1990s, the profits that doctors could make by prescribing drugs went from a minor source of income to the major driver of incomes for oncologists. A [Bristol-Myers](#) document from 2001 shows that oncologists made about 65 percent of their revenue, and a similar percentage of their net income, on drug profits.

The documents were gathered for a lawsuit that is before Judge Patti B. Saris of the Federal District Court in Boston.

In the suit, cancer patients and health insurers contend that drug makers caused them to be overcharged for oncology medicines, because the list prices at which the health care plans reimbursed doctors were much higher than the actual prices that doctors paid.

Because of the complexity of the lawsuit, which was initially filed in 2001, the case has been broken into different classes of plaintiffs and defendants. The first trial in the suit was last November and December in a bench trial before Judge Saris, who has not ruled. In that trial, the defendants were [AstraZeneca](#), Bristol-Myers, [Johnson & Johnson](#) and [Schering-Plough](#) — four of the world's 20 largest drug companies.

While many of the documents in the lawsuit remain sealed, the exhibits used in the first trial are part of the public record. They show that representatives for the companies brought spreadsheets to oncologists' offices to show doctors how much they could make.

For example, in 1998 Schering-Plough told its representatives that its drug Intron-A, a treatment for bladder cancer, could produce a profit for each patient of "\$2,373.84 for our physicians just on the drug alone." Pitching Zoladex, a treatment for prostate cancer, a sales representative for AstraZeneca was more blunt. "DO THE MATH!" he wrote in a letter to a group of urologists in Arizona.