

The Federal Physician Payment Sunshine Act

The Sunshine Act requires pharmaceutical, biologic, and medical device manufacturers (collectively, Manufacturers) to annually disclose to the Department of Health and Human Services (DHHS) all payments and other transfers of value (collectively, Payments) furnished to U.S.-licensed physicians and teaching hospitals (collectively, Covered Recipients).¹

Under the final regulations, Manufacturers are required to annually file their report of such expenditures to DHHS by March 31st. On an annual basis, DHHS makes the information gathered through these reports available through a publicly accessible, searchable website.

What Does This Mean for Covered Recipients?

- Consistent with the Sunshine Act, Purdue and its subsidiaries will collect and report to the government all payments and transfers of value to Covered Recipients from all Purdue sources.
- Covered Recipients will have an opportunity to review the manufacturer-submitted information and submit corrections for at least 45 days before the information becomes publicly available on the government website.

A Few Examples of Reportable Transfers of Value

- In-service meals (e.g., accompanied by an educational presentation by a sales representative in a physician's office)
- Meals consumed at Promotional Speaker Programs, Investigator Meetings, Advisory Boards, and Product Theaters, provided the identity of participants is known
- Travel costs
- Fee for service arrangements such as consultant, speaker, advisory board member, or clinical trial investigator
- Grants
- Educational materials that are not intended for use by a patient (e.g., textbooks, journal reprints)

¹ Please note that in the future, under revisions to the law, Covered Recipients will include nurse practitioners and physician assistants.

² NOTE: In accordance with the regulation, these values are adjusted annually consistent with the consumer price index. Please refer to <http://cms.gov/openpayments/> for updates.

Some Examples of Items That Need NOT Be Reported

- Indirect payments made through a third party where the manufacturer does not know the identity of the recipient (e.g., blinded market research).
- It is recommended that Covered Recipients assume that any transfer of value, even one valued at less than \$10.00, will be reported. If the aggregate amount is \$100.00 or less, Purdue will not report it.²
- Educational materials that directly benefit patients or are intended for patient use (e.g., journal for patient to chart own symptoms, anatomical charts).

Where You Can Turn If You Have Questions

- For general questions related to this reporting requirement, we encourage you to contact your professional association.
- For questions specific to Purdue's approach to the Sunshine Act, please send an e-mail to SunshineAct@pharma.com.
- Please consult with your accountant or tax advisor should you have questions about any tax implications related to this reporting requirement.

Purdue's Commitments

- Purdue will strive to keep you informed of our plans to comply with this law. Updates will be posted to www.purduepharma.com.
- Purdue will maintain trust with our customers—both healthcare professionals and patients.
- While focused on transparency, Purdue will continue its dedication to healthcare professionals and patients, striving to improve overall health and well being.

