

# OPEN PAYMENTS

Creating public transparency into industry-physician financial relationships

Special Open Door Forum

**Open Payments Team**

August 29, 2019



# Agenda

- Open Payments Program Overview
- Why Open Payments Matters to You
- The Data & Program Timeline
- Your Input
- Questions & Answers
- Available Resources

# Open Payments Defined

- Open Payments is a national disclosure program through which drug and medical device companies report to CMS payments or transfers of value they have made to physicians and teaching hospitals
- The goal of the program is to promote a transparent and accountable healthcare system
- Open Payments operates on a program timeline throughout which data is collected, reported, reviewed, and published

# Reporting Entities

Applicable manufacturers of covered products AND entities under common ownership with applicable manufacturers who also provide assistance and support are required to annually report to CMS

- Operates in the United States
- Engages in the production, preparation, propagation, compounding, or conversion of a covered drug, device, biological, or medical supply. This includes distributors or wholesalers that hold title to a covered drug, device, biological or medical supply

Applicable Group Purchasing Organizations (GPOs) of covered products are required to annually report to CMS

- Operates in the United States
- Purchases, arranges for or negotiates the purchase of a covered drug, device, biological, or medical supply for a group of individuals or entities, but not solely for use by the entity itself

# Current Covered Recipients

- Physicians and Teaching Hospitals
  - CMS provides the definitions of who qualifies as a physician or teaching hospital on the Open Payments website under the section 'program participants'
- Covered recipients may review the data that has been attributed to them before the data is published
  - In order to review the data, covered recipients must be registered in the Open Payments system
- Covered recipient participation in Open Payments is voluntary

# Why Open Payments Matters to You

- Expanded definition of a covered recipient
  - The provisions set forth in the SUPPORT Act\* which was signed in the fall of 2018 expand the definition of a covered recipient to include:
    - **Physician Assistants**
    - **Nurse Practitioners**
    - **Clinical Nurse Specialists**
    - **Certified Registered Nurse Anesthetists**
    - **Certified Nurse Midwives**
- Effective Dates
  - The expanded definition of a covered recipient implemented in the SUPPORT Act applies to information required to be submitted on or after January 1, 2022.
    - CMS proposes that this be effective for data collected beginning in calendar year 2021 as this is the data that will be reported to CMS in 2022.

# The Data

- The reported data is made up of direct or indirect payments or other transfers of value made by reporting entities to covered recipients
  - Indirect payments are those made to a third party, where the reporting entity requires, instructs, directs, or otherwise causes the third party to provide the payment or other transfer of value in whole or in part to a physician or teaching hospital
- Certain ownership or investment interests held by physicians or their immediate family members are also considered reportable payments

# Payment Categories

- There are three major payment categories that payments are reported in:
  - General Payments: payments or other transfers of value made that are not in connection with research agreements or research protocols. These may include but are not limited to honoraria, gifts, meals, consulting fees, and travel compensation
  - Research Payments: Payments or other transfers of value made in connection with a formal research agreement or research protocol
  - Ownership or Investment Interest: Information about the ownership or investment interest that physicians or their immediate family members have in the reporting entities

# Program Timeline



The graphic is a representation of the Program Year 2018 timeline

# The Data – Program Year 2018

(January 1, 2018 – December 31, 2018)



Total U.S. Dollar Value

**\$9.35 Billion**



Total Records Published

**11.40 Million**



General Payments  
**\$3.00 Billion**

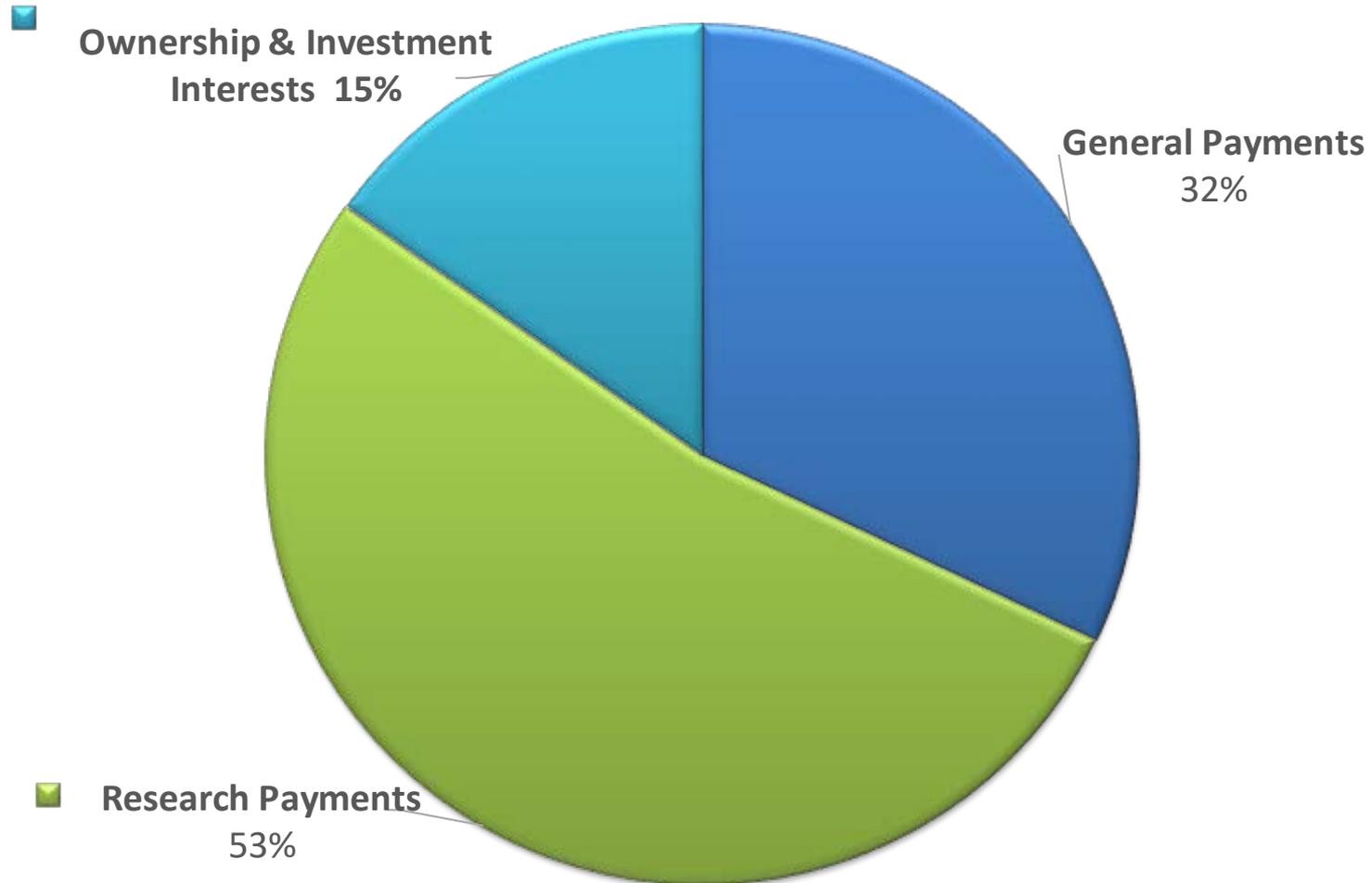


Research Payments  
**\$4.93 Billion**



Ownership & Investment  
**\$1.42 billion**

# Program Year 2018 Payment Categories



# The Data – All Program Years

(2013 – 2018)



Total U.S. Dollar Value  
**\$43.22 Billion**



Total Records Published  
**64.77 Million**



General Payments  
**\$15.23 Billion**



Research Payments  
**\$26.57 Billion**

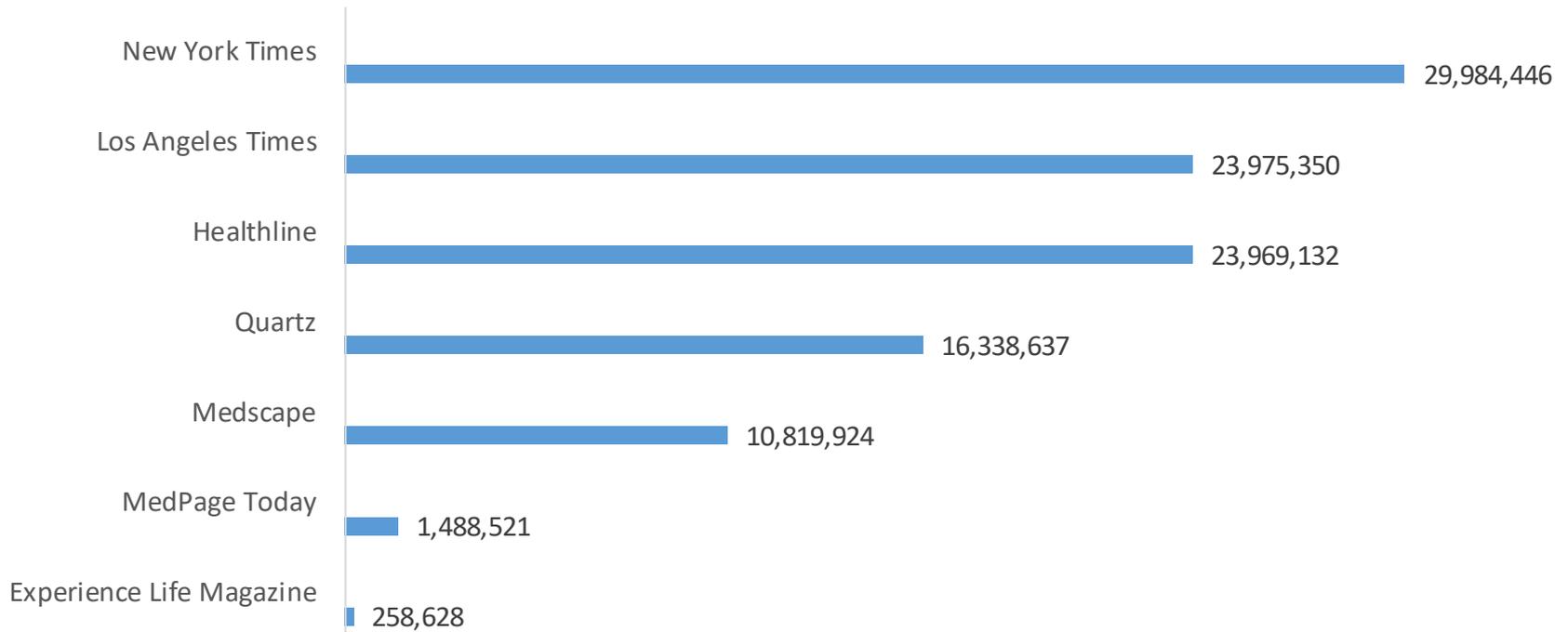


Ownership & Investment  
**\$1.42 Billion**

# What People are Talking About

Open Payments is covered by both widely read mainstream outlets and respected industry trade publications

■ Unique Visitors per Month (UVPM)



# Insights and Media Coverage Trends

- For health care reporters and researchers using technology in their work, the Open Payments database is increasingly cited as an essential tool in their reporting.
- With a rapidly changing and evolving regulatory environment, more scrutiny is being placed on drug and medical device companies to adopt proactive systems that provide more transparency and legal compliance in their payments to physicians and teaching hospitals.
- One of the most notable trends among health care personnel since the passage of the Physician Payments Sunshine Act, is how to deal with new sets of localized regulations that also require drug and medical device company payment reporting.

# Your Input

- The changes to the Open Payments program appear as a rider on the 2020 Physician Fee Schedule
- The Physician Fee Schedule Proposed Rule with comment period was placed on display at the Federal Register on July 29, 2019.
  - CMS is accepting comments on the proposed rule until September 27, 2019.
- More information and access to the proposed rule is available within the Federal Register by searching for CMS-1715-P.
  - A direct link to the CMS-1715-P (84 FR 40482) in the federal register is here, the Open Payments provision starts on page 40713:  
<https://www.federalregister.gov/documents/2019/08/14/2019-16041/medicare-program-cy-2020-revisions-to-payment-policies-under-the-physician-fee-schedule-and-other>

# Questions & Answers



# Stay Connected

- **VISIT THE OPEN PAYMENTS WEBSITE**
  - For resources including Open Payments FAQs and more information about the program visit <https://cms.gov/openpayments>
  - Information about the SUPPORT Act and access to the proposed rule is available on the Law and Policy page
- **SUBSCRIBE TO THE LISTSERV**
  - Receive program updates through the Open Payments listserv
  - Subscribe at our Contact Us page
- **SEARCH THE DATA**
  - Access the Open Payments data at <https://openpaymentsdata.cms.gov>