

PROFESSION

Former drug reps eyed to pitch physicians on referrals

More health care facilities are turning to one-time pharmaceutical detailers to help them attract doctor interest.

By **KEVIN B. O'REILLY**, *amednews staff*. *Posted Jan. 16, 2012.*

The Laser Spine Institute, a Tampa, Fla.-based endoscopic spine ambulatory surgery center with locations in seven cities, has a sophisticated approach to getting out the word about its treatments for back and neck pain. The institute's website features videos of its physicians talking about the minimally invasive procedures and includes links to their frequent appearances in news media and the institute's active social media accounts.

Now the institute, like many other health care organizations, is expanding its marketing beyond the public and aiming at physicians in the community who might send them new patients. To help in the effort, the 25-doctor group is looking to hire four new representatives -- called physician liaisons or physician relations associates -- who have at least five years' experience as drug or device-company detailers. The new hires will visit doctors in their offices and discuss how the institute's services could benefit their patients.

"That [pharmaceutical sales experience] would be ideal, because these people have a Rolodex of business and they could hit the ground running with the previous contacts they have," said Clint Borm, the institute's director of physician relations. "If we can determine that they came from that successful previous position, that means they understand the clinical verbiage that's used but also really have that ability to form interpersonal relationships with doctors."

There is no reliable source for nationwide data on the number of people working as physician liaisons, a health care position that was developed in the 1980s. But people in the field say demand is growing for professionals with the ability to call on doctors in person to help drive referral business in profitable areas such as cardiac care, cancer care and orthopedic surgery.

A rising demand

Hospitals, health systems, specialty clinics and surgery centers have a ready source of professionals to draw on due to the estimated 30,000 drug and medical-device reps laid off during the last five years. Blockbuster drugs have gone off-patent, and pharmaceutical companies increasingly are focusing their marketing efforts online.

"We're seeing a growth across the nation," said Jim Lawrence, RN, president of the American Assn. of Physician Liaisons, which has about 400 members. "As hospital margins have gotten tighter and tighter, hospitals and physicians and institutions such as ambulatory surgery centers are looking to increase throughput -- the number of cases coming through the facilities."

Lawrence is a referral services manager at St. Francis Medical Center in Cape Girardeau, Mo., and works with two other physician liaisons. Earlier in his career, he was a pharmaceutical sales representative. He estimated that an equal proportion of doctor liaisons have backgrounds in medical industry sales and clinical care, but added that the surplus of laid-off drug reps is making it easier for hospitals to expand their physician-relations programs.

Health care organizations are increasingly seeing the value of physician liaisons as part of a larger effort to brand themselves as the source for certain "service lines" in their communities, said Stewart Gandolf, founding partner of the marketing firm Healthcare Success Strategies.

"This can have an enormous impact because it's going straight at what matters," he said. "The doctor-referral relationship still drives things."

For example, leading for-profit hospital chain Tenet Healthcare said that in the last two years, its number of physician liaisons has doubled to 152. The company did not say how many were former drug reps. At Tenet's November 2011 investor meeting, officials touted their physician relationship program and how they target the "sweet spot" for physician volume and referrals as happening between the ages of 40 and 50, with 5% of doctors driving 69% of net revenue. Tenet has 49 hospitals nationwide.

The University of Chicago Medical Center started a physician-liaison program in the summer of 2011, hiring four full-time employees to visit doctors and talk with them about services such as the hospital's new heart valve clinic. All of the new hires have medical industry sales rep experience, and they are expected to have 20 "quality" meetings with physicians weekly, said Carol Marshall, the medical center's director of referral development.

Unlike drug reps who traditionally get paid more if the physicians they call on prescribe more of their company's drugs, the medical center's physician liaisons are paid a flat salary. Across the industry, about half of liaisons get bonuses tied to patient referrals from the geographic areas or specialties they cover, experts said.

American Medical Association policy doesn't specifically address physician liaisons. But the AMA says physicians should base referrals on the other doctor's "individual competence and ability to perform the services needed by the patient ... in accordance with accepted scientific standards and legal requirements."

Avoiding drug reps' ways

Despite drawing on methods similar to those traditionally used by drug companies and device makers, hospitals and other health care organizations employing physician liaisons are eager to steer a different path. Industry wide, many liaisons bring in lunches for the office staff while they talk about new procedures, technologies and specialty services. But some organizations avoid catered lunches because they fear being thought of in the same light as pestering drug reps.

"We want to make sure that when we walk in the door that we're welcome and not viewed as a pain, for lack of a better word," said Sean Duffy, director of the liaison program at Geisinger Health System in Pennsylvania. The system has doubled its physician liaisons to six in the last two years. Half were former drug reps.

The Stark law limits hospitals' nonmonetary compensation (such as lunches) to individual referring doctors at \$373 annually for 2012, with spending no higher than \$31 per physician per occurrence. That spending cannot be tied to a physician's referral volume, the law says. AMA ethics policy says physicians should not accept gifts from industry whose value exceeds \$100 and that those gifts should benefit patient care.

The MD Anderson Cancer Center in Houston has 22 people in its physician relations department, with seven of those visiting doctors' offices. Two of the liaisons are former drug reps, said Lyle D. Green, associate vice president of the department. Green said his liaisons aim not to sweet-talk doctors into more referrals but to inform them about what's available for their patients.

"It's not sales," he said. "Our approach and general philosophy in building relationships is educational -- it's to provide education about specific products and services, how to make a referral, how to sign up on our physician Web portal. Then once they make the referral, we're the customer service people. We call it referral assistance."

Prescribing caution

Some experts say the expansion of the drug-rep model to the marketing of hospital and specialty services could lead to higher health spending and inappropriate care. They also say physicians should be wary of anyone who visits their offices seeking to influence their medical decision-making.

"Just because you call it education doesn't make it education," said Eric G. Campbell, PhD, director of research at Massachusetts General Hospital's Morgan Institute for Health Policy in Boston. "People just want a little truth in advertising. You're marketing your hospital. ... At the end of the day, they are in fact selling a product, and they are being evaluated and promoted on the selling of their product, which is referrals to hospitals."

Campbell said physicians ought to insist on objective data to back up any claims about patient outcomes that liaisons make during visits. Doctors should be careful when talking with these physician-relations representatives, said Roy Poses, MD, clinical associate professor at Brown Alpert Medical School in Rhode Island and president of the nonprofit Foundation for Integrity and Responsibility in Medicine.

"Keep in mind that when you're dealing with people who are marketing a service that they want you to recommend to your patients -- not to buy for yourself-- you have to be very, very vigilant so as to protect the patient's interest," Dr. Poses said.

ADDITIONAL INFORMATION:

What hospital reps tell doctors

Hospitals and other health care organizations are increasingly seeking the persuasive powers of former drug reps. These so-called physician liaisons talk with doctors about why their patients should be referred to their employers' facilities for care.

According to people who work in or direct physician-liaison programs, these are some topics covered in visits to physician offices:

- Newly hired specialists or newly formed specialty departments
- New available procedures
- New technologies, such as proton therapy for cancer
- How to make referrals
- How to find specialist physicians who will accept patients on Medicaid
- How to get patients seen more quickly by specialists
- How to use an existing online referral directory or Web physician portal
- How to get follow-up information on patients who have been referred

- Patient outcomes
 - Hospital or ambulatory surgery center infection rates
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WEBLINK

American Assn. of Physician Liaisons (www.physicianliaison.com)

Tenet Healthcare investor meeting book, November 2011 ([www.tenethealth.com/investors/documents/november 2011 investor book.pdf](http://www.tenethealth.com/investors/documents/november_2011_investor_book.pdf))

"11 Secrets to Doubling Doctor Referrals," Healthcare Success Strategies, October 2011 (www.healthcaresuccess.com/doctorreferrals)

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