

LEGAL

Q&A

Q What is the Physician Payment Sunshine Act and How Does it Impact Medical Device Companies?

A Effective March 31, 2014, manufacturers of drugs, medical devices, biologicals and medical supplies must annually report payments to physicians and teaching hospitals to CMS. The obligation applies to payments made on or after August 1, 2013. The law requires reporting of a broad range of cash and in-kind payments, including (but not limited to) consulting fees; royalties; travel, meals and lodging; research grants; and charitable contributions. Reporting of certain ownership interests held by physicians and their immediate family members is also required. The data will be included in a publicly searchable database. Failure to submit a report can result in the imposition of significant fines on the company. Companies will be required to maintain and report detailed information about payment recipients, including the recipient's NPI specialty and professional license number (among other things).



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