

What device firms and health care professionals should know...

Medical technology firms develop ongoing relationships with the Health Care Professionals (HCPs) who partner with them to design, develop and utilize cutting-edge, complex medical technology. HCPs are not only customers, but also advisors designing medical technology; researchers providing FDA-required safety data; students receiving training on complex technology; teachers of those who use the medical technology; and charitable entities providing care to U.S. patients.

AdvaMed's "Code of Ethics on Interactions with Health Care Professionals" recognizes the importance of these relationships and provides a roadmap for ethical business practices and socially responsible industry conduct when medical technology companies and HCPs partner to advance medical care.

All AdvaMed Members have an independent obligation to ascertain that their interactions with HCPs comply with all current laws and regulations.

i *This brochure provides an overview of AdvaMed's Code of Ethics. The complete text of the Code is available at www.advamed.org.*

Code of Ethics on Interactions with Health Care Professionals

Adopted by AdvaMed
September 3, 2003



Full text of the Code of Ethics and Frequently Asked Questions are available at www.advamed.org

Additional copies of this brochure are available by contacting codebrochure@advamed.org



AdvaMed

Advanced Medical Technology Association

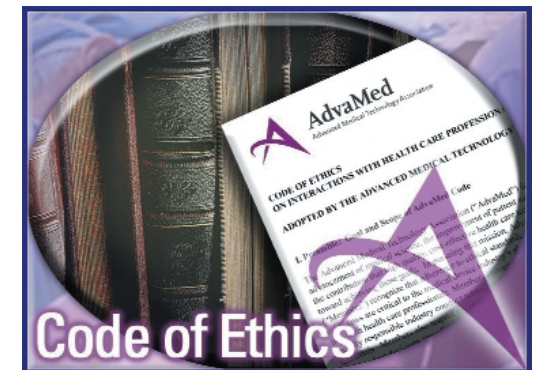
The Advanced Medical Technology Association (AdvaMed) is the largest medical technology trade association in the world. Headquartered in Washington, DC, AdvaMed represents more than 1100 manufacturers of medical devices, diagnostic products, and medical information systems. AdvaMed Members manufacture 90% of \$75 billion worth of health care technology products purchased in the United States each year, and more than half of the \$175 billion in medical technology sold annually worldwide.

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ADVANCED MEDICAL TECHNOLOGY ASSOCIATION



Understanding a New Code of Ethics



MEMBER-SPONSORED MEETINGS

AdvaMed Members have a responsibility to make product education and training available to health care professionals (HCPs). These programs and events should be held in venues conducive to the effective transmission of knowledge, with staff that have the proper qualifications and expertise. Members may provide hospitality only in the form of modest meals and receptions and may pay reasonable travel and modest lodging costs for attending HCPs, but not for their guests.

3RD PARTY CONFERENCES

AdvaMed Members may:

- Give grants directly to the conference sponsor to reduce conference costs, OR to a training institution or conference sponsor so medical students, residents, fellows, or HCPs-in-training (but not HCPs) may attend. The training institution or the conference sponsor (not the member) selects the attending HCPs-in-training.
- Give educational grants only when the gathering is primarily dedicated to promoting objective scientific and educational activities and discourse.
- Give funds to the sponsor to support conference meals and hospitality.
- Provide modest meals and receptions for all HCP attendees (but not their guests) consistent with the sponsor's guidelines. Any meals, receptions, and hospitality should be modest in value and subordinate in time and focus to the conference.
- Make grants to sponsors for reasonable honoraria, travel, lodging, and meals for HCPs who are *bona fide* conference faculty members. Members may not select or pay faculty members.
- Purchase advertisements and lease booth space at conferences.

WHY THE CODE?

Ethical standards and compliance with applicable laws are critical to the medical device industry's ability to continue its collaboration with Health Care Professionals (HCPs). As such, AdvaMed adopted its voluntary Code of Ethics to facilitate ethical interactions with HCPs, or "those individuals or entities that purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe Members' medical technology products in the U.S." AdvaMed Members will communicate the principles of this Code to their employees, agents, dealers and distributors with the expectation that they will adhere to this Code.

SALES & PROMOTIONAL MEETINGS

For these meetings in which Members and HCPs discuss product features, contract negotiations, and sales terms, AdvaMed Members may provide occasional modest meals and receptions for HCP attendees (but not their guests) if such hospitality is conducive to the exchange of information. No other hospitality is permissible. When necessary, Members may pay for reasonable travel expenses for HCPs. These meetings should be held in locations appropriate to the business being conducted. Generally, it is not appropriate to conduct these meetings at resort locations.

CONSULTING ARRANGEMENTS

The Code clearly identifies factors indicative of *bona fide* consulting arrangements and, in these situations, Members may reasonably compensate HCPs for their services and pay reasonable and actual expenses incurred by HCPs. Member-sponsored hospitality that occurs in conjunction with a consulting meeting should be modest in value and subordinate in time and focus to the primary purpose of the meeting.

GIFTS TO PHYSICIANS

Members may provide modest, occasional gifts to HCPs if they benefit patients or serve a genuine educational function *and* have a fair market value less than \$100 (text books and anatomical models excepted). Members may provide branded promotional items of minimal value related to the HCP's work (e.g., pens and notepads) or for the benefit of patients. Golf balls, tee-shirts, flowers, gift baskets, and wine are examples of items that are neither related to the HCP's work nor for the benefit of patients. Cash or cash equivalents are not appropriate gifts. The legitimate practice of providing samples and opportunities for product evaluations is not precluded.

REIMBURSEMENT & TECHNICAL INFORMATION

Members may provide product-related reimbursement and technical information to HCPs by identifying appropriate coverage, coding or billing of products or related procedures, or offering technical or other support for the appropriate and efficient use or installation of a Member's products. Members may not provide technical or other support for the purpose of unlawfully inducing HCPs to purchase, lease, recommend, use, or arrange for the purchase, lease or prescription of Members' products. Providing accurate information relating to costs, savings, and revenues associated with the use of a product may assist an HCP in evaluating whether it is economically feasible or desirable to purchase a product.

CHARITABLE DONATIONS

Members may make donations to charitable organizations for a charitable purpose, such as independent medical research, indigent care, patient education and public education, and sponsorship of events where proceeds are charitable.