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Diagnosis: Greed

By Judith Warner

For a break from the news of the financial meltdown, The Times on Saturday offered a page one story about Dr. Charles B. Nemeroff, a prominent psychiatrist at Emory University, who violated federal research rules regarding conflicts of interest and made millions of dollars consulting for the pharmaceutical industry.

Yet the story of Nemeroff, who earned $2.8 million in fees from 2000 to 2007, and had at one point consulted for 21 drug and device companies simultaneously, wasn’t really a departure from the news of the week – or of this whole benighted era – at all.

It was, rather, yet another iteration of the ever-unfolding saga of greed and how the deregulation of absolutely everything has brought our country to this painful season of reckoning. Because Nemeroff’s story – which is hardly unique – belongs uniquely to this time in our nation’s history.

It is a product of legislative and cultural changes that have altered the practice of medicine, the work of research universities and the relationship between those universities and industry. And it is marked, like so much of what’s gone off the rails in our era, by the failure of our government to step in to protect citizens.

Nemeroff didn’t bring down any banks, didn’t freeze the American credit markets, hasn’t plunged the world economy into recession. But his extensive, excessive and untransparent ties to the pharmaceutical industry are all too common, unfortunately, among his cohort of “thought leaders” in psychiatry and other medical specialties. And these relationships have led to a dangerous crisis of confidence in the basic integrity and validity of America’s medical research.

Nemeroff’s case, which has many twists and turns involving allegations of conflicts of interest and nondisclosure of payments going back over the years, is only the latest to issue from the office of Senator Charles E. Grassley.

Grassley, Republican of Iowa, patron saint of whistleblowers, would-be regulator of hedge funds and now-seemingly prescient critic of the Securities and Exchange Commission, has, since this past spring, been investigating drug makers’ payments to prominent psychiatrists whose research bears the imprimatur of prestigious universities.
that frequently receive federal grant money. In June, his office reported that Dr. Joseph Biederman and Dr. Timothy Wilens, psychiatrists at Harvard Medical School, under-reported earnings of more than $1.6 million each from drug makers, possibly in violation of federal and university rules. More recently, Grassley raised conflict-of-interest allegations concerning Dr. Alan Schatzberg, the chairman of the psychiatry department at Stanford and the incoming president of the American Psychiatric Association, who is said to have controlled more than $6 million worth of stock in a company while serving as lead investigator on a study involving one of that company’s products.

And these cases are, of course, only the tip of the iceberg. Conflicts of interest between the pharmaceutical industry and prominent research physicians now “permeate the clinical research enterprise,” writes Dr. Marcia Angell, author of the 2004 book, “The Truth About the Drug Companies,” in the Sept. 3 issue of The Journal of the American Medical Association.

In one review that Angell cites, about two-thirds of academic medical centers had financial stakes in companies that sponsored research within their facilities. In another study, two-thirds of medical school department chairs were found to receive departmental income, and three-fifths received personal income, from drug companies.

Scientists in government agencies aren’t above suspicion, either: Angell cites a study of 200 government panels that issued practice guidelines, which found that more than a third of the authors had some financial interest in drugs they recommended. And “perhaps most importantly,” she writes, many members of 16 standing committees that advise the Food and Drug Administration on drug approvals also have financial ties to drug companies. “Although these individuals are supposed to recuse themselves from participating in decisions about drugs made by specific companies with which they have a financial relationship, that requirement is frequently waived by F.D.A. authorities,” Angell writes.

Universities have all kinds of conflict-of-interest rules too, of course, as do the National Institutes of Health, which hand out grant money to researchers. But the federal government counts on universities and researchers to police themselves, and I think we know all too well from recent events on Wall Street where self-regulation leads.

The upshot: No one can be trusted. “Not only do the researchers have the complete conflicts of interests, but the medical schools and the universities do too,” Angell told me this week in a telephone interview. “The Biedermans, the Schatzbergs, they’re rainmakers for the institutions. It’s a broken system.”

How did all this happen?

It’s a familiar story: About three decades ago, it became possible to make serious money as a university researcher. Not that the money was so bad before, of course. It was respectable. But it wasn’t Wall Street-type money.
That changed in the early 1980s with the passage of legislation that allowed universities to patent their publicly funded research results and then grant exclusive licenses to pharmaceutical companies. The public-private wall came down. The universities received royalties on the drugs, and the royalties were split between the researchers and the departments. Start-up companies were spun off and sold. University researchers became, essentially, partners to industry.

The change wasn’t just structural, however. There was a cultural shift, a kind of boundary melt.

“Greed became respectable,” Angell, a professor of global health and social medicine at Harvard Medical School and the former editor in chief of The New England Journal of Medicine, recalled. “There used to be a sort of tension between doing well and doing good for medical researchers. If they wanted to make a lot of money in a high-risk sort of job they could work for industry. If they wanted to do important, exciting research they stayed in academia and they had a comfortable life but not great wealth.

“Before 1980, they were aware of this tension,” she said. “Before 1980, those who went into industry were held in some disdain. With Reagan, all this changed. There was a strong feeling that the world divided into winners and losers. In medical research this just has had enormous implications.”

It’s had enormous implications for our world generally. On Wall Street, change had to come via catastrophe. Let’s hope it won’t take a disaster to bring sense back to medicine.