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Maryland General Assembly
House of Delegates Health Committee
90 State Circle
Annapolis, MD 21401

Testimony in Favor of Maryland House Bill 1134 Pharmaceutical Drugs and Devices – Gifts to Health Care Professionals – Prohibition

I am a physician who lived in and saw patients in Maryland for 25 years. I have more than 50 years of experience interacting with pharmaceutical companies. Indeed, when I graduated medical school in 1975, my first black bag, grained leather monogrammed with my name and my new degree, was provided as a gift by Lilly, a pharmaceutical company. I have performed pharmaceutical company-supported research, been paid to give lectures for pharmaceutical companies, and received consulting fees from pharmaceutical companies. Although my income has been derived in part from pharmaceutical companies, I recognize that these companies sometimes use what I consider deceptive marketing practices.

Gifts to healthcare providers and their staffs from pharmaceutical companies increase a sense of obligation and help get the pharmaceutical company representative in the office door for a sales call. Sales calls are an important drain on provider time and contribute to the lack of time available for encounters with patients. Moreover, gifts are usually accompanied by marketing messages and increase the good feeling that a healthcare provider may have for specific products without that good feeling being based on sound scientific information.

Advertising is permitted in the United States for most products, but the marketing of pharmaceutical products aimed at the healthcare provider is a problem because the healthcare provider decides whether or not to prescribe or recommend a product. The healthcare provider does not pay the cost of expensive new treatments; rather, that cost is paid by the patient or by payors of insurance premiums. A provider's favorable response to marketing can result in prescription of a product for which someone else will pay. This perversion of market incentives to avoid high-price products is further exacerbated by bribes to the healthcare provider from the seller of an expensive product.

Medication samples are a particularly important kind of gift. Samples are given ostensibly to enable a healthcare provider to "try" a new therapy, but these samples are often for medications to treat chronic diseases. When a patient's samples run out after a week or two, it is usual that the provider will write a prescription for the same medication, because to change the medication would involve experimenting with the effectiveness of the treatment. Samples are given for new,

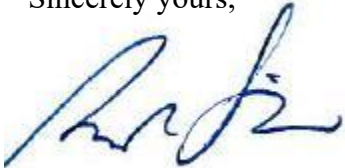
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costly medications, particularly when there are older, unbranded alternatives that cost less. The use of costly medications is an important source of rising healthcare costs for Maryland residents.¹

The argument that samples help low-income residents falls flat, because healthcare providers who don't write prescriptions for a company's products do not get samples. Low-income patients have a disproportionate share of chronic illnesses including hypertension and diabetes for which low-cost medications may be more helpful and safer than newer, high-cost medications. A two-week trial of samples of a new, expensive treatment will do more harm than good if it leads to a lifetime of prescriptions for the new drug.

Prescribing decisions should be based on what is best for the patient. Determining what is best is based on effectiveness, potential adverse effects, and cost. Gifts to prescribers should play no role in this determination. I encourage you to support HB 1134, which will decrease exposure of healthcare providers to gifts and samples that will increase the ordering of expensive diagnostic studies and medications, increasing the cost and decreasing the availability of healthcare for Maryland residents.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Anthony R. Scialli', is positioned below the text 'Sincerely yours,'.

Anthony R. Scialli, M.D.
Scialli Consulting LLC

¹ <https://www.investopedia.com/articles/personal-finance/080615/6-reasons-healthcare-so-expensive-us.asp#:~:text=Healthcare%20in%20the%20United%20States&text=Most%20of%20the%20costs%20involved,contrast%20to%20other%20Western%20nations.>