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Joan Claybrook, President

Open Letter to the Board of Trustees of the American Medical Association

August 20, 1997

Board of Trustees
American Medical Association
515 N. State Street
Chicago, IL 60610

Dear Members of the Board of Trustees:

Although I am not a card-carrying member of the American Medical Association, some very good friends are. They, as well as most physicians who are members of the organization and almost everyone on the AMA staff, are thoroughly disgusted with the recent announcement of a prostitution-like arrangement whereby AMA endorses Sunbeam medical products on which the organization has never done any objective, comparative testing. In return, AMA will get what has been reported to be "royalty payments potentially totaling millions."

There is little question that the widespread adverse publicity given to this reckless deal has already seriously damaged the reputation of the AMA and will unquestionably result in a further exodus of thousands of physicians from AMA membership (membership has already fallen from almost 75% of doctors thirty years ago to fewer than 40% now). In order to attempt to stem the damage--which also besmirches American medicine generally--I strongly urge that you immediately, entirely renounce this deal and fire the two AMA executives who appear to be primarily responsible for degrading the organization with this crude money-grubbing scheme: Executive Vice-President P. John Seward, M.D. and Vice President for Marketing, Larry Jellen.

Until it was publicly announced, the plan was unknown to most members of the AMA staff, including the AMA's publication division, which includes the prestigious *Journal of the*

Ralph Nader, Founder

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American Medical Association, and the AMA's Division of Ethics which clearly views this arrangement as entirely unethical. Why bother having a division concerned with ethics if those making important decisions such as the Sunbeam deal glibly bypass this part of the AMA which would surely have said no, if asked in advance?

Consumers Union vs AMA: The Winner is Easy to Pick

In sharp contrast to Consumers Union, which skillfully and independently tests products by comparing those in various categories with each other, accepts no money from the products' manufacturers and prohibits companies with high ratings to use these as endorsements, the AMA is doing just the opposite. It has apparently done no independent comparative testing of Sunbeam products but has agreed to take large (how large they will not disclose) amounts of money in exchange for exclusive endorsements on nine Sunbeam product categories including blood pressure monitors, heating pads and vaporizers. According to the CEO of Sunbeam, Al Dunlap, "Every time consumers see the AMA's name on Sunbeam's 'HealthHome' products, they'll know they've been recommended for healthier living by the AMA." And, commenting on the AMA information which will accompany the endorsed products, Dr. Seward has stated that "it will help to extend our reach by providing valuable health information to consumers and patients." Defending the scheme, Marketing Vice-President Jellen has said, "We just don't take our name and sell it." How wrong he is.

In one of the product categories which the AMA has agreed to give exclusive endorsement, home blood pressure monitors, an examination of recent results of Consumers Union tests, originally published in *Consumer Reports* in October 1996, reveals that objective testing found the Sunbeam products to be far from the best. Of two Sunbeam blood pressure monitors tested, the better was rated only sixth best, and although described as having "very good accuracy," was topped by five products with "excellent accuracy." The other Sunbeam blood pressure monitor was rated the worst out of 11 models tested. Its numerical score, on a scale of 0 to 100 was approximately 45 with the top-rated monitor (AND UA-767) scoring about 95. Specific *Consumer Reports* comments on the bottom-ranked Sunbeam model included: "Accuracy and consistency are fair...Rigid material at edges of cuff may pinch skin.

Recommendation: There are better choices."

How "valuable" can AMA health information which accompanies a less-than-optimal Sunbeam blood pressure monitor be if the product's deficiencies include accuracy and consistency of blood pressure readings?

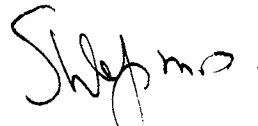
Aside from guaranteeing a further exodus of American physicians from the AMA because there are better choices in medical organizations as well as blood pressure monitors, this extreme example of bad judgement comes at a time when very serious questions are being raised about how the objective evaluation of patients by individual physicians is being distorted by financial considerations. Physician ownership in hospital chains such as Columbia/HCA or in for-profit health maintenance organizations, and financial arrangements in which physicians are

in a fee-for-nonservice relationship to their patients--whereby the fewer diagnostic tests and treatments meted out by the doctors, the more money they make--have already started to ruin the doctor-patient relationship.

Now, at an institutional level, for the organization which falsely claims that it represents 90% of doctors and 100% of patients, serious questions have also arisen about the extent to which medicine is turning from a human service into a business. The message is clear: If the AMA can get rich from its (non)evaluation of Sunbeam products, its collective judgement warped by cash, why should American doctors not similarly go where the money is?

Although most of those inside the organization would like to entirely kill this deal, modifications, intended to make it "OK" are the more likely result, thanks, no doubt to the persistent influence of Dr. Seward and Mr. Jellen. It should be remembered that according to the *AMA News* (July 7, 1997), a recent predecessor of Dr. Seward's, Dr. James Sammons, was forced to resign as Executive Vice-President in 1990 because of a financial scandal. Unless the organization, by means of a decision of the Board of Trustees, immediately purges itself of people such as Dr. Seward, Mr. Jellen and anyone else who was instrumental in doing so much damage to the organization, it is likely, if not certain, that some other scandalous decision will be made by these people which will further damage the organization and American medicine.

Sincerely,

A handwritten signature in black ink, appearing to read "Sidney M. Wolfe". The signature is written in a cursive, somewhat stylized font.

Sidney M. Wolfe, M.D.
Director
Public Citizen's
Health Research Group

Should doctors endorse products?

Yes, to fund health programs

By DR. P. JOHN SEWARD

LAST WEEK, the American Medical Association announced a program with the Sunbeam Corp. that will provide consumers with reliable health information in a direct and timely way.

Sunbeam's Health at Home product line will include labels, contained inside the packages, promoting the AMA's health information. The AMA is not saying anywhere that Sunbeam is the "best" or "only" quality product in the limited home health products category.

The AMA's small percentage of revenue from the sale of Health at Home products, will be used exclusively to cover the cost of the program and to finance four national AMA public health campaigns: home health care for the geriatric population, HIV education, consumer health information and the prevention of family violence.

AMA campaigns have successfully created awareness for some of our nation's most critical public health issues. But it costs a tremendous amount of money to develop, promote and implement effective, long-term national campaigns.

A good example is the Physicians' Campaign Against Family Violence, which helped remove the shroud of silence that allowed the lives of countless women, children and elderly to be ruined or lost in the vicious cycle of family violence. In October 1992, the AMA spent hundreds of thousands of dollars just to roll out that campaign, not including expenses such as staff salaries.

At the end of its first year, the AMA printed 20,000 copies of physician diagnosis and treatment guidelines — 5,000 copies for each of four separate domestic violence categories — and distributed them (at no cost for orders of less than 100 copies) upon request, to doctors, hospitals, shelters and clinics nationwide. In year two, the AMA co-hosted a two-day policy and information development conference in Washington, D.C. From this event was formed a national network of health, legal, social service and law enforcement professionals who share effective strategies for serving domestic violence victims. In years three and four, the campaign encompassed violence on TV, movie screens, compact discs and in the streets, including guidelines for diagnosing and treating criminal sexual assault. Each year since 1994, the AMA's Violence Report Card has served as a barometer to measure national progress and failure in violence prevention, treatment

and availability of victim services, as well as an annual reminder that America must continue to work on making a safer society.

The total five-year cost for just this one AMA public health campaign soars into the millions — so far without a single dollar's worth of outside funding. Yet with government funding cutbacks in public health, even more is needed. There is a limit to how much more we can ask of our members. Therefore, like many other distinguished nonprofit organizations, the AMA has found a modest amount of commercial help.

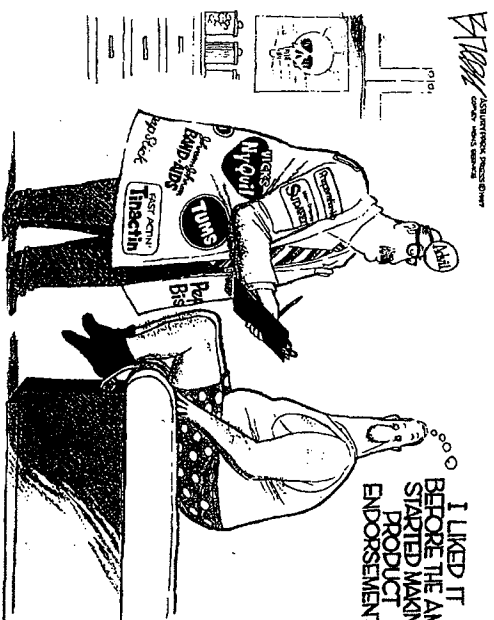
Critics find it easy to denounce the AMA's effort to fund valuable public health initia-

It erodes patient confidence

By DR. SIDNEY WOLFE

THE LARGEST organization in the world representing physicians in the world, seems to be turning the kind of tricks more typical of the oldest profession in the world.

If this sounds like an accusation that the American Medical Association is prostituting itself by its highly profitable endorsements of Sunbeam health products, it is. According to Reuters, "Under the agreement, royalty payments potentially totaling millions from Sunbeam will go to the AMA."



tives, yet offer no solutions to the funding problem.

The AMA's alliance with Sunbeam is a rare opportunity to provide supplemental funding that helps maintain public health programs addressing serious national issues. Meanwhile, the AMA board of trustees has formed a committee to examine the Sunbeam program.

The board will take immediate corrective action if there is any evidence of interference with our primary mission — setting the highest professional standards of clinical practice and ethics for the medical profession while bettering the nation's public health.

Seward is executive vice president of the American Medical Association.

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According to the CEO of Sunbeam, Al Dunlap, "Every time consumers see the AMA's name on Sunbeam's Health at Home products, they'll know they've been recommended for healthier living by the AMA." And, commenting on the AMA information which will accompany the endorsed products, AMA has stated that "it will help to extend our reach by providing valuable health information to consumers and patients."

Aside from guaranteeing a further exodus of American physicians from the AMA, this extreme example of bad judgment comes at a time when serious questions are being raised about how the objective evaluation of patients by individual physicians is being distorted by financial considerations.

Physician ownership in hospital chains such as Columbia/HCA or in for-profit health maintenance organizations, or financial arrangements in which physicians are in a fee-for-non-service relationship to their patients — in which the fewer diagnostic tests and treatments meted out by the doctor, the more money they make — have already distorted the doctor-patient relationship.

Now, at an institutional level, for the organization which falsely claims that it represents 90% of doctors and 100% of patients, serious questions have arisen about the extent to which medicine is turning from a human service into a business.

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In addition to losing tens of thousands more physicians from its membership, the AMA will surely face — from those committed to making the organization better not worse — attempts to reverse this foolish decision. To prevent even further damage to the AMA, I would urge the Board of Trustees to immediately fire those AMA officials responsible for this plan.

Even so, for many patients and doctors alike, confidence in the AMA has already sunk even lower.

Wolfe is director of Public Citizens Health Research Group, based in Washington, D.C.