Bristol Myers Squibb (BMS) Methodology Document in support of the EFPIA transparency disclosure code for HCP/HCO transfers of value pertaining to 2023

Publication date – 30 June 2024

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Introduction

The approach to timing, tax and currency aspects of Transfer of Value (TOV) disclosure are not defined by the EFPIA Code. Companies are free to define an appropriate methodology and are obliged to publish it as per the EFPIA Code, Article 23, Section 23.05. BMS, as a member of EFPIA, will fulfill this requirement by publishing this document alongside 2023 transparency disclosure reports where possible. All data in the disclosure report was correct at time of publication.

Definitions

Recipients

BMS are fully aligned with HCP / HCO scope, adjusted when necessary to accommodate country trade association definitions expected by the market.

HCO: Any legal person/entity (i) that is a healthcare, medical or scientific association or organisation (irrespective of the legal or organisational form) such as a hospital, clinic, foundation, university or other teaching institution or learned society (except for POs within the scope of article 21) whose business address, place of incorporation or primary place of operation is in Europe or (ii) through which one or more HCPs provide services.

HCP: Any natural person that is a member of the medical, dental, pharmacy or nursing professions or any other person who, in the course of his/her professional activities, may prescribe, purchase, supply, recommend or administer a Medicinal Product and whose primary practice, principal professional address or place of incorporation is in Europe. For the purpose of this Code, the definition of HCPs includes: (i) any official or employee of a government, agency or other organisation (whether in the public or private sector) that may prescribe, purchase, supply, recommend or administer Medicinal Products and (ii) any employee of a Member Company whose primary occupation is that of a practising HCP, but excludes (x) all other employees of a Member Company and (y) a wholesaler or distributor of Medicinal Products.

Kind of Transfers of Value (TOV)

1. Transfers of Value to an HCO, an amount related to any of the categories set forth below:

    a. Donations and Grants. Donations and Grants to HCOs that support healthcare, including donations and grants (either cash or benefits in kind) to institutions, organisations or associations that are comprised of HCPs and/or that provide healthcare (governed by Article 12 of the EFPIA Code).

b. Contribution to costs related to Events. Contribution to costs related to Events, through HCOs or third parties, including sponsorship to HCPs to attend Events, such as:
    i. Registration fees;
    ii. Sponsorship agreements with HCOs or with third parties to manage an Event;
    For contributions provided to Events through Professional Conference Organisers (PCOs), TOVs are reported as follows:
        - either in the name of benefitting HCO, or
        - in the name of Recipient PCO;
    iii. Travel and accommodation (to the extent governed by Article 10 of the EFPIA Code).
c. Fees for Service and Consultancy. Transfers of Value resulting from or related to contracts between Member Companies and institutions, organisations or associations of HCPs under which such institutions, organisations or associations provide any type of services to a Member Company or any other type of funding not covered in the previous categories. Fees, on the one hand, and on the other hand Transfers of Value relating to expenses agreed in the written agreement covering the activity will be disclosed as two separate amounts.

2. Transfers of Value to an HCP:
    a. Contribution to costs related to Events. Contribution to costs related to Events, such as:
        i. Registration fees; and
        ii. Travel and accommodation (to the extent governed by Article 10 of the EFPIA Code).
    b. Fees for Service and Consultancy. Transfers of Value resulting from or related to contracts between Member Companies and HCPs under which such HCPs provide any type of services to a Member Company or any other type of funding not covered in the previous categories. Fees, on the one hand, and on the other hand Transfers of Value relating to expenses agreed in the written agreement covering the activity will be disclosed as two separate amounts.
    c. Fees related to travel visas are not reportable

3. R&D transfers of value

    R&D transfer include all TOV related to pre-clinical and clinical development, paid to an HCO or an HCP directly or indirectly (for example through a CRO or third party vendor).

    All R&D TOV are aggregated by country as a single number based on the recipient's country principal practice address in the disclosure report. In case TOV relating to prospective and retrospective non-interventional studies cannot be distinguished, all non-interventional studies are disclosed on an individual basis under fee for service, where consent allows.

Disclosure's scope

TOV Timing Approach

1. Assumptions
    a. Timing of a TOV determines assignment to a disclosure period and the date required for value calculations (e.g. currency conversion, tax calculation)
2. Principles
    a. As actual values are relevant for disclosure reporting, the following dates are captured and transferred to the BMS reporting solution
        i. Financial Payments: Actual payment date
        ii. Transfer of Value:
            1. One-day interactions: Actual interaction date
            2. Multiple-day interactions: Actual interaction start date
    b. Above dates will be used for both:
        i. assigning any TOV to the relevant disclosure period
        ii. performing any TOV value calculations
    c. Multi-year contracts / R&D long term clinical trials: reporting of TOV related to the contract / trial follow the above rules.

Reportable date

The following rules have been used for the reportable dates relating to TOV in BMS.

- In Kind (travel, accommodation, registration fees) : Event start date
- In Cash (sponsorship, donation, fee for service) : Payment date

No Show / Cancellation

For payments or TOV relating to an event that has been cancelled, or the HCP has decided not to attend, BMS will only disclose TOV that have been confirmed as provided to the HCP.

Cross-border activities

Where a TOV is made outside of the recipient's country the TOV will be reported within the country disclosure report based on the recipient's principal practice address.

Consent management

For countries where consent is required for individual publication at the named level of detail for HCPs and HCOs (for those countries where this is required), BMS has requested consent for disclosure to all recipients (HCPs, and HCOs where applicable).

BMS will only publish the individual recipient details where consent has been positively given (for those countries where consent is required). If an HCP or HCO (in those countries where consent is required) has not given consent or has not responded to the consent request, they will be considered to have not given consent and their data will be aggregated prior to publishing.

Publication

BMS will follow local country trade association procedures and legislation for reporting publication. When required, BMS will republish a disclosure report.

Date of publication

Publication of each country disclosure report will be aligned to the reporting dates provided by the associated country trade associations.

Disclosure platform

For markets with an external central platform: BMS will publish the disclosure report on the central platform. Where possible this methodology report will accompany the disclosure report.

For markets with no external central platform: BMS will publish the disclosure report on the country specific BMS website in a dedicated transparency section.
This methodological note will be attached to this section

Disclosure language

Disclosure language will be as determined by the country trade association

Disclosure financial data

TOV Currency Approach

1. The disclosure report in any country will be submitted in the local currency of that country
2. Principles
    a. No currency conversion or translation is needed, if the transaction currency is the same as the one of the recipient‘s country of practice (e.g. domestic payments)
    b. Otherwise currency conversion is required:
        i. the value of transaction currency is used for a currency conversion as follows:
            1. Financial Payments: the average daily rate of the payment date is used for conversion
            2. Transfer of Value: the average daily rate of the interaction date is used for conversion

VAT

Where possible, BMS discloses the full amount of all Transfers of Value exclusive of VAT. In some instances VAT may not be separable, in these cases, VAT has been included in the disclosure amount.

Scientific Publications

BMS adheres to laws and industry standards for financial transparency reporting. External Authors of scientific publications receive an in-kind transfer of value when BMS pays a publication agency to provide medical writing and editorial services to the external authors at no cost to them. BMS will report funding for medical writing and editorial services, and payment of congress and journal fees.