

Novartis: prescribing incentives, specialty pharmacies, and patient-assistance boundaries

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1. Executive assessment and corporate identity

Novartis is a Swiss pharmaceutical group whose current identity should be distinguished from its historical subsidiaries. The company was formed in 1996 through the merger of Ciba-Geigy and Sandoz. Alcon became a separately traded company in 2019, and Sandoz was spun off in 2023, leaving Novartis focused on innovative medicines.¹ This report examines specified historical arrangements involving Novartis entities; it does not assign those events indiscriminately to every present-day company bearing a formerly associated name.

The principal evidence concerns how commercial incentives can influence independent prescribing, pharmacy counseling, and patient financial assistance. A 2015 U.S. resolution addressed specialty-pharmacy relationships involving Exjade and Myfortic. A 2020 settlement addressed speaker programs for cardiovascular and diabetes drugs. Another 2020 settlement concerned allegedly improper use of charitable foundations to pay Medicare patients' copayments. A separate international matter involved admitted conduct at Greek and former Alcon entities and deferred prosecution agreements.^{2,3,4,5}

These proceedings are not interchangeable. Some involved civil allegations and specific factual admissions; the international agreements resolved criminal investigations without a trial conviction of the parent. DOJ expressly states that the civil claims described in its July 2020 national release were allegations with no determination of liability.⁴ That qualification can coexist with the New York office's account of factual admissions in the speaker-program settlement. A company may admit particular conduct while not receiving an adjudicated finding on every legal claim.

The report's assessment is that the documented arrangements raise substantial concerns about the independence of advice on which patients and payers rely. A service labeled education, adherence support, or charitable assistance can have a legitimate purpose. The relevant evidentiary question is whether commercial conditions altered that purpose: who was selected, what was communicated, which prescriptions were rewarded, and whether the patient's interests remained controlling.

Novartis's responses emphasized changes in policies, monitoring, and the delivery of medical education.^{6,7} These commitments belong in a fair account, but an announced reform is not proof of its long-term effectiveness. The company remains an active pharmaceutical business; its July 2026 financial report provides current operating context.⁸ Historical settlements do not establish that its entire present portfolio is unsafe or that current employees participated in earlier conduct. The report assesses the selected enforcement record and access mechanisms, not individual treatment choices or investment decisions.

2. Historical context: three routes to influence over a prescription

The specialty-pharmacy case concerned an intermediary between manufacturer, physician, and patient. DOJ alleged that Novartis used patient referrals and rebates to encourage Exjade refills and arrangements that induced pharmacies to recommend switching patients to Myfortic. Its account says commercial pressure encouraged counseling that emphasized benefits while understating serious risks. The 2015 settlement included \$370 million to resolve federal and state claims and \$20 million in civil forfeiture, along with factual admissions and independent review obligations.²

The speaker-program case involved a different point in the decision chain. The government alleged that events held between 2002 and 2011 often provided little meaningful education, sometimes did not occur, and were used to reward prescribing. In the 2020 settlement, Novartis accepted responsibility for specified facts, including that some sales representatives intended honoraria to induce more prescriptions and that certain groups of doctors repeatedly dined together with rotating paid speakers.³ The evidence therefore went beyond the mere existence of a paid lecture.

The foundation matter concerned patient cost sharing. DOJ alleged that the company coordinated assistance in ways favoring patients taking Gilenya or Afinitor, including fund timing and eligibility definitions. The separate settlement amount was \$51.25 million.⁴ This was not the same conduct as the dinner events, even though both proceedings involved alleged kickbacks and federal reimbursement.

Resolution	Primary relationship	Distinct concern
2015 specialty pharmacies	Manufacturer-pharmacy	Counseling and refill incentives
2020 speaker programs	Manufacturer-prescriber	Payments linked to prescribing
2020 foundation assistance	Manufacturer-foundation	Independence of patient aid
2020 FCPA agreements	Subsidiaries-public health employees	Improper benefits and recording

The international proceedings demonstrate why geography and entity identity also matter. Novartis Greece and Alcon Pte entered separate deferred prosecution agreements; the latter was already a former Novartis subsidiary when the resolutions were announced. The alleged and admitted conduct related to publicly employed health professionals in Greece and Vietnam and the accounting treatment of improper payments.⁵

The historical pattern is thus not one universal mechanism. It is the use of several relationships capable of influencing medical demand. For research purposes, combining them under a broad slogan would obscure both the evidence and the potential control failure. Each relationship requires its own examination of contractual terms, communications, recipient selection, and actual service. The timelines also matter: the dates of conduct precede the dates of settlement, and a 2020 resolution should not be represented as proof that identical events continued in 2026.

3. Principal evidence and the boundary between admissions and allegations

The 2015 DOJ account identifies a concrete distribution structure. Exjade initially used a limited specialty-pharmacy network, giving Novartis influence over the allocation of referrals. The government contended that referrals and rebates rewarded stronger refill performance. It also alleged that pharmacies were encouraged to promote continued use while minimizing discussion of serious adverse effects. For Myfortic, the asserted inducement was a rebate relationship tied to recommendations that physicians switch patients from competing products.²

The analytical concern is the credibility of ostensibly independent counseling. A nurse or pharmacist can properly help someone follow a prescribed treatment, but adherence is not an unconditional objective independent of tolerability, accurate risk information, or medical reassessment. If a commercial payment rewards persistence regardless of those factors, a service that appears patient-centered can become a sales intervention. The source does not establish that every refill was inappropriate or that every pharmacy communication omitted risk. Those individual conclusions require individual records.

The 2020 speaker evidence was similarly specific. DOJ reported admissions concerning intended prescribing inducements, high cumulative honoraria, repeated meals, and programs at expensive venues. The settlement required major restrictions on future programs, including limited circumstances and virtual formats under the five-year corporate integrity agreement.³ The importance of the restrictions is not that a webinar is inherently ethical and a meal inherently unethical. It is that removing lavish hospitality and limiting paid participation addressed identified channels of influence.

The charity settlement calls for particular care. The government alleged that Novartis arranged assistance to disproportionately support its own products, including coordination around the opening of a foundation's multiple-sclerosis fund and efforts to narrow a renal-cancer fund's definition.⁴ Those are allegations resolved by settlement, not trial findings reproduced here as independently proven facts. The underlying public-policy distinction is between independent support for eligible patients and manufacturer-controlled support designed around product revenue.

In the FCPA matter, DOJ described admissions that Novartis Greece funded travel to medical congresses as improper benefits to increase prescriptions and used an epidemiological study as a payment vehicle. It separately described false recording connected to Vietnamese lens sales at the former Alcon entity.⁵ This report does not infer that all travel sponsorship or observational research is corrupt. The evidence turns on the actual purpose, recipient, and records. Keeping the transaction-level mechanism visible is more informative than treating all external professional engagement as inherently suspect.

4. Pricing and access: aid, reimbursement, and overlapping settlement headlines

The reviewed cases do not provide a consistent dataset of list prices, confidential rebates, net revenues per prescription, and patient out-of-pocket costs. They therefore cannot support a single measured “Novartis price increase” or a calculation of how much every patient overpaid. A high settlement amount may demonstrate the seriousness of an enforcement resolution, but it is not automatically a measure of product markups or patient harm.

The financial reporting problem is particularly visible in the 2020 sources. The New York announcement states a \$678 million speaker-program total covering federal damages, forfeiture, and state payments. The national DOJ announcement describes over \$642 million in separate federal civil settlements, including the \$51.25 million charitable-assistance matter and the federal speaker-program component.^{3,4} Adding those two headlines would double-count overlapping money. Likewise, the 2015 \$465 million litigation-wide figure included \$75 million paid by specialty-pharmacy defendants in addition to Novartis’s \$390 million.²

Figure	What it describes	What it does not describe
\$390 million	Novartis 2015 pharmacy resolution	All defendants’ payments
\$678 million	2020 speaker-program total	Charity settlement plus every FCPA penalty
\$51.25 million	Separate foundation-assistance settlement	Direct payment to each affected patient
\$345 million, rounded	Announced 2020 FCPA criminal/regulatory total	A new amount to add to its own components

The table preserves the scope of the official announcements rather than constructing a cumulative penalty ranking.^{2,3,4,5}

The assistance issue also exposes a real tension. Reducing an individual’s copayment can improve immediate affordability. Yet a fund influenced by a manufacturer can leave the broader payer covering a higher-cost product while undermining independent allocation of charitable resources. Both propositions can be true without implying that patients who accepted help did anything wrong. The relevant assessment examines governance, eligibility, information flows, and the link between donations and product utilization.

Similarly, refill assistance can provide valuable support, but refill volume alone is a poor measure of health benefit. A rigorous study would need adherence data, adverse events, prescribing alternatives, clinical outcomes, and the content of counseling. This report did not obtain those datasets. Its economic conclusion is consequently about incentives and measurement: payer expenditure, manufacturer revenue, patient cost sharing, and health outcomes are separate quantities. Improving one does not guarantee improvement in all four, and settlement dollars cannot substitute for their direct observation.

5. Company response, outcomes, and current status

Novartis's 2015 response acknowledged the \$390 million settlement and described additional controls over specialty-pharmacy contracts, training, monitoring, and government reporting. It maintained that pharmacies provide useful support in understanding and following prescribed treatment and said the new obligations would clarify its relationships with them.⁶ This response is relevant because the company did not propose eliminating all patient-support services. The task was to separate legitimate support from incentives that compromised independence.

In July 2020 Novartis framed the speaker and foundation settlements as legacy matters and announced a shift toward digital medical education, fewer circumstances for paying outside clinicians, and elimination of restaurants as venues. It described new integrity obligations through 2025.⁷ The dates prevent a common reporting error: a five-year agreement announced in 2020 should not be described as necessarily still operative in September 2026 merely because the historical release remains online. The source set does not contain a complete post-agreement compliance determination.

The government's outcomes were not limited to monetary remedies. The speaker-program resolution required executive and board compliance certifications, monitoring, and restrictions on program spending and format. The pharmacy settlement extended and modified integrity obligations. The international agreements required cooperation and enhanced compliance reporting.^{2,3,5} These remedies indicate that authorities sought changes in organizational behavior as well as financial payment. They do not independently show the subsequent effectiveness of each measure.

Current corporate context was checked against Novartis's history page and July 2026 operating release. The company remains active in innovative medicines following the Alcon and Sandoz separations.^{1,8} New clinical or commercial announcements in September 2026 do not resolve the historical conduct examined here, and this report does not use pipeline progress as either a defense to past misconduct or evidence of new wrongdoing.

For current allegations, precision remains essential. The reviewed FCPA announcement distinguishes Novartis AG, Novartis Greece, and a former Alcon subsidiary. The U.S. pharmacy and speaker matters identify Novartis Pharmaceuticals Corporation. Attributing every action simply to "Novartis" without these qualifications may be convenient, but can confuse the party that admitted conduct, the party that paid, and the entity now operating a business. The report therefore uses the group name for the overall subject and more specific names when the legal distinction changes the meaning. It reaches no conclusion about later unreviewed litigation, every jurisdiction in which the group operates, or every company that inherited a product or former subsidiary.

6. Implications and limits of this research

This new research edition was prepared after the previously linked report proved unavailable. It makes no claim to the missing document's wording, authorship, analysis, or publication history. The present date marks the research check for this edition, not the date of the historical events and not proof that all possible developments have been exhaustively identified.

Primary material was selected to cover the major mechanisms individually: pharmacy relationships, speaker compensation, foundation assistance, international payments, company responses, and corporate identity. Agency descriptions were read with attention to the difference between allegations, factual admissions, and the legal form of resolution. Company releases were used for the company's position and changes it said it would make. They were not treated as independent certifications of compliance. No patient records, confidential rebate agreements, or complete pharmacy call recordings were obtained.

A fair report should preserve two ideas that are sometimes unnecessarily set against each other. Useful medicines and legitimate assistance programs can coexist with serious misconduct in marketing or financing arrangements. Demonstrating that a medicine benefits an appropriate patient does not validate every payment used to promote it. Demonstrating an improper inducement does not establish that the medicine lacks all benefit. The appropriate unit of analysis is the conduct and decision pathway supported by evidence.

The practical implications are similarly specific. Pharmacy support should be evaluated for balance and clinical escalation rather than refill volume alone. Educational payments should be assessable against real educational work and neutral recipient selection. Foundation assistance should retain independence from the donor's sales objectives. Accounting controls should make the true purpose of sponsored travel, studies, and distribution payments visible. These are analytical lessons from the reviewed record, not assertions that a single standardized control would prevent every form of misconduct.

The financial totals have distinct scopes; overlapping announcements cannot be added together as independent amounts. The civil-liability qualification for the foundation claims, the named parties to deferred prosecution agreements, and the historical dates of integrity obligations define what each source establishes. A numerical study of affordability would also need separate measures of list, net, reimbursed, and patient-paid amounts for a specified medicine, year, and jurisdiction. These distinctions keep the public-interest conclusion anchored to what is documented: commercial relationships can compromise the independence of clinical decisions, and meaningful accountability requires examining those relationships rather than simply counting payments or prescriptions.

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