

April 2, 2009

The Honorable Nancy Pelosi
Speaker of the House of Representatives

The Honorable Steny Hoyer
Majority Leader

The Honorable James Clyburn
Majority Whip

The Honorable Henry Waxman
Chairman
Energy and Commerce Committee

The Honorable Charles B. Rangel
Chairman
Ways and Means Committee

The Honorable John A. Boehner
Minority Leader

The Honorable Eric Cantor
Minority Whip

The Honorable Joe Barton
Ranking Member
Energy and Commerce Committee

The Honorable Dave Camp
Ranking Member
Ways and Means Committee

Dear Madam Speaker and Congressmen:

On behalf of the undersigned companies and associations, who represent the majority of specialty and biotech distribution and community oncology practices in the United States, as well as other physician specialties and patients, we request your support for legislation (H.R. 1392 (attached)) introduced on March 9, 2009 by Congressmen Gene Green (D-TX) and Ed Whitfield (R-KY). H.R. 1392 seeks to exclude customary prompt pay discounts extended to wholesalers from the Average Sales Price (“ASP”) methodology for Medicare Part B drugs. We respectfully request that you include H.R. 1392 in the next appropriate legislative vehicle.

Customary prompt pay discounts are contractual terms between drug manufacturers and distributors. They reflect the time value of money for distributors, are not often passed on to medical providers, and artificially reduce reimbursement. Our pharmaceutical distribution system is unique to the United States and provides efficiencies not realized in other countries.

The inclusion of distributor prompt pay discounts in the ASP methodology threatens the secure and highly efficient distribution model and will lead to increased costs to Medicare and beneficiaries due to greater inefficiencies and impairment of product integrity. Reduced reimbursement to community oncology practices, where 84% of cancer patients are treated, compounds challenges faced by patients in their treatment and causes access to care issues as the economic realities of Medicare reimbursement threaten the financial viability of patient treatment facilities.

Excluding distributor prompt pay discounts from the ASP methodology is consistent with existing policy and will create greater uniformity among federal healthcare programs, as these

terms already are excluded from the Medicaid Average Manufacturer Price (“AMP”) methodology.

H.R. 1392 is supported by a number of co-sponsors, including Representatives Marsha Blackburn (R-TN), Mary Bono Mack (R-CA), Steve Cohen (D-TN), Diana DeGette (D-CO), Lincoln Diaz-Balart (R-FL), Phil Gingrey (R-GA), Bart Gordon (D-TN), Ralph Hall (R-TX), Kendrick Meek (D-FL), Mike Rogers (R-MI), Mike Ross (D-AR), Betty Sutton (D-OH), Lee Terry (R-NE), Edolphus Towns (D-NY), and Zach Wamp (R-TN). During the 110th Congress, approximately 100 Members of Congress co-sponsored legislation (H.R. 1190, H.R. 2770 and S. 1750) which contained the prompt pay exclusion, and many have written letters in support of this provision.

Thank you for your consideration of this request. We would be glad to provide additional information.

Sincerely,

American Society of Clinical Oncology
AmerisourceBergen Corporation
Association of Community Cancer Centers
Community Oncology Alliance
CuraScript Specialty Distribution
Healthcare Distribution Management Association (HDMA)
Health Coalition, Inc.
McKesson Corporation
Patient Services Incorporated
Society of Gynecologic Oncologists
Specialty & Biotech Distributors Association (SBDA)
UPMC Cancer Centers
US Oncology

Attachment