

United States Senate

WASHINGTON, DC 20510

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 U.S. Capitol
Washington, DC 20510

Dear Majority Leader Reid:

We are writing to respectfully request inclusion of a modified and less expensive version of S. 1221, legislation that excludes customary prompt pay discounts extended to wholesalers from the Average Sales Price ("ASP") methodology for Medicare Part B drugs, in America's Healthy Future Act of 2009. Inclusion of this legislation in the bill that moves to the floor is important for maintaining the viability of our country's secure and highly efficient Medicare Part B drug and biological distribution model and protecting cancer patients' access to care in community oncology treatment facilities.

Customary prompt pay discounts are contractual terms between manufacturers and distributors that are not typically passed on to physicians. The current inclusion of prompt pay discounts extended to wholesalers as price concessions in the ASP calculation artificially reduces the reimbursement amount physicians receive for Part B drugs.

The artificial reduction in reimbursement also is particularly harmful for community oncology practices, where 84% of cancer patients are treated. There is concern that the continued inclusion of these terms in ASP could threaten patients' access to these treatment facilities.

Excluding customary prompt pay discounts from the ASP calculation will also promote consistency between federal healthcare programs because Congress already excluded these terms from the Medicaid Average Manufacturer Price ("AMP") methodology.

Thank you for considering this request for support.

Sincerely,



Arlen Specter



Robert P. Casey, Jr.



Sherrod Brown



Debbie Stabenow

cc: The Honorable Max Baucus
The Honorable Tom Harkin
The Honorable Chris Dodd