

April 30, 2013

The Honorable Debbie Stabenow
United States Senate
133 Hart Senate Office Building
Washington, DC 20510

The Honorable Pat Roberts
United States Senate
109 Hart Senate Office Building
Washington, DC 20510

Dear Senators Stabenow and Roberts:

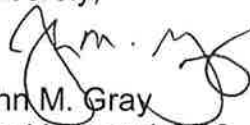
I am writing on behalf of the Healthcare Distribution Management Association (HDMA) to commend you for introducing S. 806. This legislation makes an important correction to the treatment of prompt pay discounts under the Medicare Part B Average Sales Price (ASP) reimbursement metric.

By clarifying that prompt pay discounts paid to healthcare distributors are not to be included in the manufacturer's ASP calculation, Medicare Part B reimbursement rates for drugs and biologics will more accurately reflect the acquisition price available to physicians and hospital outpatient clinics. This also will bring consistency to federal programs by aligning the treatment of prompt pay discounts in Medicare Part B with the treatment of Medicaid Average Manufacturer Price (AMP) methodology. Further, this legislation is even more important now as community oncology clinics face further reimbursement cuts with the additional 2% payment cut from sequestration.

As you know, HDMA is the national association representing primary healthcare distributors, the vital link between the nation's pharmaceutical manufacturers and healthcare providers. Each business day, HDMA member companies ensure that nine million prescription medicines and healthcare products are delivered safely and efficiently to more than 200,000 pharmacies, hospitals, long-term care facilities, clinics and others nationwide. HDMA and its members work daily to provide value and achieve cost savings, an estimated \$42 billion each year to our nation's healthcare system.

We thank you for your leadership and look forward to continuing our work with you on this important issue.

Sincerely,


John M. Gray
President and CEO