



February 19, 2013

The Honorable Ed Whitfield
United States House of Representatives
2184 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Whitfield:

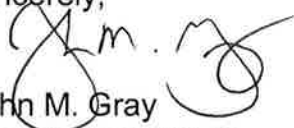
I am writing on behalf of the Healthcare Distribution Management Association (HDMA) to commend you for introducing H.R. 800. This legislation makes an important correction to the treatment of prompt pay discounts under the Medicare Part B Average Sales Price (ASP) reimbursement metric.

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.

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