



Public Hospital Pharmacy Coalition

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(A Coalition of the National Association of Public Hospitals and Health Systems)

June 26, 2003

The Honorable W.J. "Billy" Tauzin
Chairman
House Energy & Commerce Committee
2125 Rayburn Building
Washington, DC 20515

Dear Chairman Tauzin:

On behalf of the 170 members of the Public Hospital Pharmacy Coalition, we write to express our appreciation to you and your colleagues for your efforts to address the important issue of ensuring that our nation's seniors have access to prescription drug coverage. In particular, we thank you for including language in H.R. 1 that would remove a regulatory obstacle that has prevented safety net hospitals from negotiating lower prices on inpatient pharmaceuticals.

Under the current system, hospitals participating in the Public Health Service 340B Drug Discount program pay 20-25 percent more for inpatient pharmaceuticals than outpatient drugs. H.R. 1 would clarify that inpatient prices paid by these hospitals are exempt from the government's "best price" calculations. This clarification should enable 340B hospitals to negotiate lower prices on inpatient pharmaceuticals and could result in significant savings for these institutions which are facing their worst financial condition in decades. These budgetary savings will assist our members in carrying out their mission of providing health care services to all regardless of their ability to pay.

PHPC appreciates the efforts put forth by you and your colleagues in this important area, and we look forward to working with you and your staff to ensure that the bill is enacted into law.

Sincerely,

William von Oehsen
General Counsel

Ted Slafsky
Director



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