

Congress of the United States
Washington, DC 20515

January 26, 2012

The Honorable Jonathan Woodson, M.D.
Assistant Secretary of Defense
Director of TRICARE Management Activity
Department of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

Dear Dr. Woodson:

We write to raise concern about the potential impact of the proposed merger between Express Scripts, Inc. (ESI) and Medco on TRICARE and its beneficiaries. The proposed merger was announced last July and today, it remains under investigation by the Federal Trade Commission (FTC). As the FTC continues to investigate the proposed merger, we believe it necessary to highlight potential consequences to the TRICARE program and its beneficiaries should it go through.

Many of us have already expressed concern to the FTC about the consequence of the merger on market concentration in the pharmacy benefit manager (PBM) industry and what this will mean for small businesses as well as patients and patients' access to their local pharmacies. If approved, a merged Express Scripts-Medco would create a PBM with more than 135 million covered lives and with control of more than 30 percent of all prescriptions in the United States. It is also estimated that the company would hold 60 percent of the total mail order market.

On its face, increased concentration suggests greater opportunity to leverage economies of scale and realize costs savings. However, there is little evidence that increased PBM market concentration will significantly lower costs for consumers or the American taxpayer. And, instead of realizing costs savings, there will be even less market competition during the next TRICARE contract bid. We are also concerned that that this merger would result in only two viable PBM choices with the capacity to administer benefits for the 9 million Americans who depend on TRICARE. We are concerned these limitations would undermine TRICARE's negotiating leverage and limit TRICARE's ability to demand a quality prescription drug benefit.

We appreciate your commitment to the men and women that serve our country. We share your commitment and are concerned about the potential consequences of this merger for TRICARE patients, small businesses, and the American taxpayer. Thank you for taking these concerns into consideration and feel free to contact us if you have any questions.

Sincerely,



JOE COURTNEY
Member of Congress



WALTER JONES
Member of Congress

Mo Brooks

MO BROOKS
Member of Congress

Bill Owens

WILLIAM OWENS
Member of Congress

Martha Roby

MARTHA ROBY
Member of Congress

Mike Rogers

MIKE ROGERS
Member of Congress

Austin Scott

AUSTIN SCOTT
Member of Congress