

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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August 17, 2007

The Honorable Nancy Boyda
United States House of Representatives
Washington, DC 20515

The Honorable Jo Ann Emerson
United States House of Representatives
Washington, DC 20515

Dear Representatives Boyda and Emerson:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, applauds your introduction of H.R. 3140, the "Saving Our Community Pharmacies Act of 2007." This bill would correct Medicaid reimbursement rules that threaten to raise drug costs for beneficiaries and put community pharmacies out of business. The Chamber supports legislation to keep these pharmacies viable, so that they can continue to serve the Medicaid population.

According to the Government Accountability Office, the new Medicaid reimbursement formula will not cover pharmacies' costs of buying many drugs. Combined with the costs of dispensing drugs, pharmacies face serious financial losses. This will limit Medicaid beneficiaries' access to medications, driving down the quality of care they receive, and increasing health care costs throughout the system. If affordable medications are not accessible to Medicaid beneficiaries, decreased wellness could lead to devastating cost increases for beneficiaries, the Medicaid program, and other payers. It is in the best interest of the federal and state governments who fund Medicaid, and the business community for Medicaid beneficiaries to be on their medications—which requires that those medications be reasonably available and affordable.

The Chamber supports H.R. 3140 because it corrects the formula for Average Manufacturer Price to accurately reflect pharmacy acquisition costs, excludes mail-order discounts, redefines the retail class of trade to include only retail community pharmacies, and includes provisions to increase the use of generics.

Thank you for sponsoring H.R. 3140, which will bolster Medicaid beneficiaries' access to affordable prescription drugs, support America's businesses, and help control health care costs in the United States. The Chamber looks forward to working with you to enact this legislation.

Sincerely,



R. Bruce Josten