



October 12, 2016

The Honorable Gus Bilirakis
Committee on Energy and Commerce
2122 Rayburn House Office Building
Washington, DC 20515

The Honorable Kurt Schrader
Committee on Energy and Commerce
2431 Rayburn House Office Building
Washington, DC 20515

Re: H.R. 4784, the “Lower Drug Costs through Competition Act”

Dear Congressman Bilirakis and Congressman Schrader:

On behalf of the Healthcare Supply Chain Association (HSCA), thank you for your ongoing support for reducing healthcare costs and for working to safeguard patient and provider access to generic drugs. HSCA is pleased to support your legislation, the “Lower Drug Costs through Competition Act” (H.R. 4784). As Congress continues to address generic drug price spikes, we applaud your efforts and commitment to finding legislative solutions for such an important issue.

HSCA represents leading healthcare group purchasing organizations (GPOs), the sourcing and purchasing partners to virtually all of America’s 8,000+ hospitals, as well as the vast majority of the 68,000+ long-term care facilities, surgery centers, clinics, and other healthcare providers. GPOs deliver critical cost savings that allow healthcare providers to focus on their core mission: providing first-class patient care.

HSCA commends the goals of H.R. 4784 to create a more competitive generic drug marketplace. We believe mandating priority review of abbreviated new drug applications (ANDAs) in single-source situations is critical to achieving that goal. As future opportunities arise to consider enhancements or additions to the legislation, we encourage you to mandate priority review for generic drugs where there are two or fewer manufacturers for a given product. In addition, priority review should be given to ANDAs in instances where there have already been significant spikes — specifically, where the market price of an existing product increases at a rate of more than five times the percent change that occurred in the Prescription Drugs Index of the Consumer Price Index for the previous year.

Generic injectables are the workhorses of acute care facilities and bring tremendous value to healthcare providers and the patients they serve. Price spikes for these drugs are causing significant challenges for patients and providers alike. As the Committee on Energy and Commerce moves forward with this legislation and works with stakeholders, we look forward to continuing to collaborate on this matter and sharing additional solutions. Given our unique line of sight into all aspects of the healthcare supply chain, we would be pleased to serve as a resource to you and your staff.

Please do not hesitate to contact me directly should you have any questions. I can be reached at 202.629.5833 or tebert@supplychainassociation.org.

Sincerely,

Todd Ebert, R.Ph.
President and CEO
Healthcare Supply Chain Association

HSCA MEMBER COMPANIES

