HSCA
HEALTHCARE SUPPLY CHAIN ASSOCIATION
Innovators In Evidence-Based Sourcing

April 6, 2017

The Honorable Gus Bilirakis
Committee on Energy and Commerce
2112 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. 749, the "Lower Drug Costs through Competition Act"

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. 749). As Congress continues to address generic drug price spikes, we applaud your efforts and commitment to finding legislative solutions to such an important challenge.

HSCA represents leading healthcare group purchasing organizations (GPOs), the sourcing and purchasing partners to virtually all of America's 7,700+ 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 goal of H.R. 749: creating 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. In general, price drops when there are more competitors in the market. As H.R. 749 advances through the committee process, we believe the legislation could be further enhanced so that the Food and Drug Administration (FDA) gives priority review to generic injectables with two or fewer manufacturers in the market. In addition, we recommend that priority review apply prospectively to new ANDAs as well as retroactively to ANDAs that have already been submitted and accepted for review. Together, these changes will help streamline the process of additional manufacturers entering the generic injectable market.

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 cause significant challenges for patients and providers alike. These challenges are further amplified by the FDA backlog of ANDAs that leaves generic manufacturers with pending applications waiting up to four years for approval, while single-source manufacturers are able to take advantage of no competition and their virtual total control of the market. By prioritizing review of already accepted ANDAs and new ANDAs as they are received,

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the influx of manufacturers and the increased market competition they create can mitigate the detrimental effects that price spikes have on our nation's patients and providers.

As the Committee on Energy and Commerce works with stakeholders to move forward with legislation, we look forward to continuing to collaborate on this critical matter. Given our unique line of sight into the healthcare supply chain, we would be pleased to serve as a resource for questions or additional solutions 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

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

HSCA MEMBER COMPANIES

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