

Steven C. Anderson, IOM, CAE
President & Chief Executive Officer

June 23, 2008

The Honorable Charles Rangel
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable John Dingell
Chairman, Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Chairman Dingell:

On behalf of the National Association of Chain Drug Stores (NACDS), I am pleased to endorse your legislation, H.R.6331, the “Medicare Improvements for Patients and Providers Act of 2008.” This bipartisan legislation contains several provisions of critical importance to chain pharmacies and the patients they serve. We thank you for your leadership on these issues and pledge to work with you to see that this bill is enacted into law this year.

By delaying billions in Medicaid payment cuts to retail pharmacies – the so-called AMP cuts – your bill will prevent pharmacies from facing the untenable situation of having to accept below cost payments when serving low income patients. If allowed to go forward, these AMP cuts could result in the closure of 11,000 pharmacies, the loss of 300,000 jobs and a reduction of \$31 billion in economic activity nationwide. This provision alone makes H.R. 6331 worthy of the House’s support.

In addition, by instituting a program of electronic prescribing in Medicare, the bill will greatly improve efficiencies and reduce medical errors in our nation’s health care system. NACDS has been a strong advocate of e-prescribing for years, having fought for the e-prescribing provisions in the Medicare Modernization Act (MMA). Medicare beneficiaries deserve the most up-to-date health care practices and technologies available, and e-prescribing is one clear way to vastly improve and modernize the Medicare program.

We applaud the decision to provide a delay in the implementation of the competitive bidding program for durable medical equipment (DME). This delay will provide the time necessary to ensure that Medicare beneficiaries fully understand the program and that there are a sufficient number of suppliers to ensure that access to durable medical equipment such as diabetes supplies is not disrupted.

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Finally, H.R. 6331 contains an important provision to ensure prompt payment to pharmacies in the Medicare Part D program. This issue is especially important to NACDS' small and medium-sized members, for whom delays in Medicare payments can create cash flow problems that make it difficult to serve Medicare beneficiaries as well as other patients.

Passage of this legislation is critically important to our nation's retail pharmacies and the millions of Americans they serve every day. Again, we thank you for your leadership. We urge all members of the House of Representatives to support H.R. 6331.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven A. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven A. Anderson, IOM, CAE