

June 16, 2003

The Honorable Bill Thomas  
Chairman  
Ways and Means Committee  
1102 Longworth Office Building  
Washington, DC 20515

Dear Chairman Thomas:

I am writing on behalf of the Healthcare Distribution Management Association (HDMA). HDMA is the national trade association representing pharmaceutical and healthcare product distribution. HDMA's 85 distributor member companies operate over 240 distribution centers throughout the country that serve every state, the District of Columbia and U.S. territories. HDMA distributor members provide services to approximately 140,000 different customers, including: independent pharmacies, hospitals, chain drug stores and warehouses, government sites, pharmaceutical research companies, food stores and mass merchandisers, physician's offices and clinics, long-term care and home health facilities, and mail-order pharmacies.

HDMA applauds your commitment to adding a prescription drug benefit to the Medicare program. In particular, HDMA appreciates the opportunity to work with you and your staff on your efforts to replace the current Medicare Part B AWP-based reimbursement methodology. We are pleased that you have recognized the vital role pharmaceutical distributors play in our healthcare system and believe that improvements have been made in this area of the legislation that will allow for the continued utilization of the commercial distribution system.

In closing, HDMA looks forward to working with you as the legislative process proceeds and providing information as to the impact your legislation would have on our industry.

Sincerely,



Ronald J. Streck  
President & CEO

**Healthcare Distribution Management Association**