



**Healthcare Distribution
Management Association**

Products, Services and Information for Your Health

Eric Schuss, Chairman of the Board

November 20, 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), the national trade association representing pharmaceutical and healthcare product distributors. HDMA's 86 distributor member companies operate 193 distribution centers throughout the country and serve every state, the District of Columbia and U.S. territories. HDMA distributor members provide services to approximately 130,000 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.

Although HDMA has not been able to review the final legislative language as of this writing, we applaud your commitment to adding a competitive, market-based prescription drug benefit to the Medicare program. Appropriately managed medication therapies can dramatically enhance a patient's quality of life while often decreasing the need for hospitalization or surgery, so we see this as a major step forward. In the same vein, we strongly believe that the final language should allow individuals to select their pharmacy provider as well as provide coverage for services that assist patients with appropriate management of their medication therapies.

While we continue to oppose efforts to allow for commercial importation of prescription drugs, we are pleased the final bill would limit such importation to Canada and that it could only take place if it is demonstrated that it will not increase the risk to the health and safety of Americans and also result in significant cost savings to the consumer.

HDMA also appreciated the opportunity to provide information regarding our industry as you considered various options to replace the current Medicare Part B AWP-based reimbursement methodology. We understand that this section of the legislation will allow for the continued utilization of the commercial pharmaceutical distribution system, and we commend you for recognizing the vital role pharmaceutical distributors play.

Sincerely,

Nancy Hanagan
Executive Vice President & COO

Healthcare Distribution Management Association
Formerly National Wholesale Druggists' Association (NWDA)