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NRLN is a coalition of 30 Retiree Associations advocating the rights of more than 2 million American retirees from...

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February 2, 2011

The Honorable Herb Kohl, Chairman
Special Committee On Aging
United States Senate
330 Hart Senate Office Building
Washington, DC 20510-4903

Dear Senator Kohl:

On behalf of the more than 2 million retirees from 125 U.S. corporations and public entities residing in all 50 states who are members of the National Retiree Legislative Network, I am writing to thank you for sponsoring S. 27, the Preserve Access to Affordable Generics Act. Your efforts to lower the prices of prescription drugs and increase the timely availability of generic biologic drugs is very important to all Americans, particularly retirees existing on limited income.

The NRLN supports the passage of your bill because it would increase competition in America's pharmaceutical market by stopping anti-competitive agreements between brand name and generic drug manufactures that delay the availability of generic drugs. We also urge you and your Senate colleagues to encourage the House to offer an S.27 companion bill.

In July 2009, the NRLN produced a whitepaper advocating that Congress pass a resolution asking the Attorney General to take legal action against drug companies that collude verbally or by contract to control pricing or subvert free market practices. The NRLN opposes paying off generic manufacturers for withholding the introduction of generic drugs until brand name patents expire or for any other reason, a.k.a. "pay-for-delay" or "reverse payments" deals.

It is great that S. 27 would end "pay-for-delay" settlements by allowing the Federal Trade Commission (FTC) to take action against companies participating in "pay-for-delay" agreements. Restraining trade should be illegal. As you champion lower prices for prescription drugs, I hope you will consider introducing and supporting other proposals in the NRLN's whitepaper, including reforms that would:

1. Allow re-importation and full importation of safe, less expensive prescription drugs from countries certified by the Federal Drug Administration. It is time for the FDA to learn how to size up the job and do it. Most other U.S. industries have globalized, invested heavily in R&D and stand up to competitive pressures; tell PhRMA to get in line to help our economy. Say no to their lobbyists!
2. Implement competitive bidding for prescription drugs by the Centers for Medicare and Medicaid Services, including establishing a national formulary. Competitive bidding has proven to be very cost-effective for participants in the Veterans Administration health care program and it, or a program like it, can achieve similar results for the CMS. We retirees know this can be done.

(More)

3. Sufficiently staff the FDA to reduce the backlog of generic drugs and streamline the process to bring generic drugs to the market in a timelier manner, and fund these activities through fees from the drug companies. Cleaning up backlogs of 2-to-4 years would result in hundreds of millions of dollars in consumer savings annually.

If the NRLN can help you get S. 27 out of committee and gain support from other Senators for passage, please ask a member of your staff to contact Marta Bascon, NRLN Executive Director, by phone at 703-863-9611 or by email at marta.bascom@linkspace.net . Again, thank you for working to lower the cost of prescription drugs.

Sincerely,

Handwritten signature of Bill Kadereit in black ink.

President, National Retiree Legislative Network