September 28, 2015

Senator Lamar Alexander  
Chairman  
U.S. Senate Committee on Health, Education, Labor, and Pensions (HELP)  
455 Dirksen Senate Office Building  
Washington, DC 20510

Senator Patty Murray  
Ranking Member  
U.S. Senate Committee on Health, Education, Labor, and Pensions (HELP)  
428 Dirksen Senate Office Building  
Washington, DC 20510

Re: ANDA Prioritization to Address Generic Price Spikes

Dear Chairman Alexander and Ranking Member Murray:

We are writing about recent price spikes in the generic drug market and their impact on healthcare providers and patients. We ask that you pursue legislation granting the U.S. Food and Drug Administration (FDA) authority to prioritize Abbreviated New Drug Applications (ANDA) in order to help mitigate existing generic price spikes and avoid future spikes for drugs where there are only one or two manufacturers.

The Healthcare Supply Chain Association’s (HSCA) member group purchasing organizations (GPOs) are crucial cost-savings engines for America’s hospitals, clinics, nursing homes, and surgery centers. HSCA and its members are committed to lowering costs and increasing competition and innovation in the healthcare marketplace. We are concerned that generic price spikes, often caused by monopoly or duopoly situations, are negatively impacting competition, cost, and available supply of necessary drugs.

Generic price spikes and their effects – including making life-saving medications unaffordable for some patients – are an enormous risk to public health. Recently, we have seen significant spikes for many widely used generic drugs. In less than two years, for example, the price of two important generic cardiac drugs increased by over 2,700 percent. Additionally, one generic anti-parasitic compound recently surged to a 4,522 percent price increase. These are just the tip of the iceberg.
We applaud you for your previous efforts to address critical drug shortages, including giving FDA the authority to “fast track” new drug applications to help mitigate or prevent shortages. We urge you to pass legislation granting FDA the same authority for generic drugs experiencing price spikes or those for which there are only one or two manufacturers. Doing so will help increase competition, reduce costs for providers, and preserve access in the generic drug market.

Please do not hesitate to contact me directly should you have any questions. I can be reached at 202.367.1162 or tebert@supplychainassociation.org.

Sincerely,

[Signature]

Todd Ebert
President and CEO
Healthcare Supply Chain Association

cc:

Senator Richard Burr
Senator Michael Enzi
Senator Johnny Isakson
Senator Rand Paul
Senator Susan Collins
Senator Lisa Murkowski
Senator Mark Kirk
Senator Tim Scott
Senator Orrin Hatch
Senator Pat Roberts
Senator Bill Cassidy

Senator Barbara Mikulski
Senator Bernie Sanders
Senator Robert Casey
Senator Al Franken
Senator Michael Bennet
Senator Sheldon Whitehouse
Senator Tammy Baldwin
Senator Christopher Murphy
Senator Elizabeth Warren