

Congress of the United States
Washington, DC 20515

August 25, 2006

The Honorable Duncan Hunter
Chairman
House Armed Services Committee
2120 Rayburn House Office Building
Washington, DC 20515

The Honorable Ike Skelton
Ranking Member
House Armed Services Committee
2340 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hunter and Ranking Member Skelton,

We are writing to you on behalf of TRICARE beneficiaries in our respective districts. Active duty and retired military personnel are concerned that proposals in the 2007 Defense Authorization bill would effectively remove access to local pharmacies by shifting TRICARE beneficiaries to mail order prescriptions.

We understand that the Department of Defense (DoD) is seeking to ease the growth of prescription drug costs. However, reducing costs by cutting off access to the local retail pharmacy is a drastic and unreasonable measure, especially when there is a more fair, feasible, and effective option that will save money while protecting the health of beneficiaries.

The Veterans Health Care Act of 1992 directs drug manufacturers to grant discounts on all drugs supplied to the DoD, the Veterans Administration (VA), the Public Health Service and the Coast Guard. The discounts, on average, lower government costs by 30 to 40 percent. Despite this law, most drug manufacturers have refused to grant discount prices to the TRICARE retail program, as they do on drugs dispensed on base or through TRICARE mail order.

DoD believes it should receive discounted pricing regardless of where a prescription medication is dispensed. William Winkenwerder, Assistant Secretary of Defense for Health Affairs, appeared before the Senate Armed Services' Subcommittee on Personnel in April, 2005. He testified that "Federal pricing of pharmaceuticals in the TRICARE retail pharmacy program will help significantly to contain costs."

TRICARE beneficiaries should have access to their local pharmacists, who often help increase medication compliance, resulting in better health outcomes and a potential reduction in spending in other parts of the TRICARE program. In addition, medications for acute conditions are not appropriate for mail order and must remain available through local pharmacies.

We understand that the Senate version of the 2007 Defense Authorization bill contains language providing clarification that drug manufacturers must provide federal pricing to DOD for all medications dispensed through the TRICARE retail pharmacy network. We urge you to help the DoD achieve significant savings in an appropriate manner by adopting the Senate language in conference.

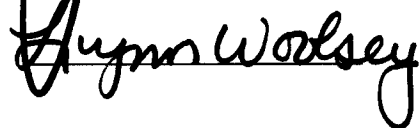
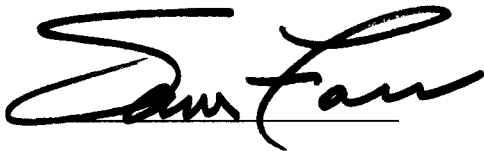
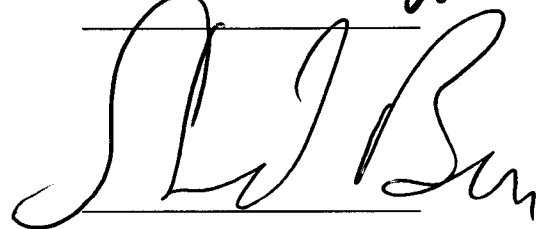
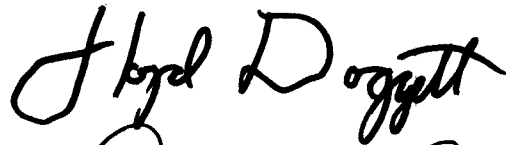
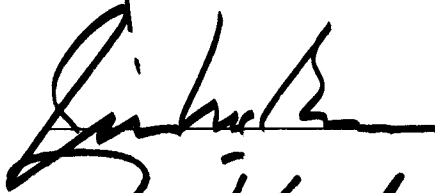
Sincerely,



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