

Congress of the United States
House of Representatives
107th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

December 18th, 2001

Thomas A. Scully
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Mr. Scully:

Recently the Centers for Medicare & Medicaid Services announced plans to publish a proposed rule outlining your new Medicare prescription drug card plan in December. While we commend your efforts to address the problem of the lack of prescription drug coverage for Medicare beneficiaries, we are interested in a solution that does not harm providers of care - namely our community pharmacies.

A prescription drug card program could have a significant detrimental effect on small community pharmacies. Discount cards typically force pharmacies to provide discounts to seniors when the profit margin on drugs already is precariously low. Any reduction in profit margins for pharmacies will lead to pharmacies going out of business or reduction in services provided by the pharmacy.

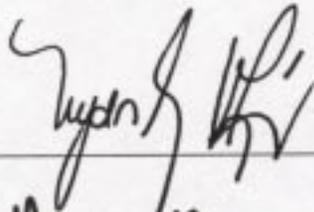
We are concerned about your compliance with section 609(a) of the Regulatory Flexibility Act which requires agencies to assure that small businesses have an opportunity to participate in rulemakings that will considerably impact them. The Small Business Regulatory enforcement Fairness Act (SBREFA) amended the Regulatory Flexibility Act (RFA) to bolster the RFA's requirements that agencies provide small businesses with a meaningful opportunity to participate in the development of rules that may significantly effect them.

The success of CMS in carrying out your obligations under the RFA requires early and continuing interaction with small businesses throughout the regulatory development process. **We encourage you to conduct outreach to small businesses as an important part of development of the Medicare prescription drug card regulation.** Your interactions with small businesses should be a genuine dialogue with meaningful engagement and exchange of ideas and information.

We further request that you conduct an assessment of the impact of your Medicare prescription drug card regulation on small community pharmacies. This assessment can then be used to make informed decisions about minimizing unnecessary burden on small businesses.

We look forward to working with you toward a common goal of ensuring that senior citizens receive the medications they need.

Sincerely,



Mike Law

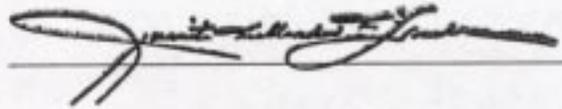
Robert A. Jozaly

Jim Langerin

Jon M. Christ

David Phelps

Danny K. Davis



Brad Carson

Sub. Control V. 1.6

Bill Parnell Jr.

Stephanie Pulis Jones



Grace F. Kapuletano
