

United States Senate

WASHINGTON, DC 20510

February 26, 2007

Senator Max Baucus
Chairman
Committee On Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Mr. Chairman:

Congratulations on your election as Chairman of the Finance Committee. Although we are not members of your committee, we look forward to working with you on issues of interest to our constituents.

We have spent the past several months listening to and learning from people in our home states about the things that matter to them. An issue that loomed large in our conversations was Medicare Part D, the Medicare prescription drug benefit. Wherever we went people would ask us why Congress had passed a law to prohibit the federal government from negotiating with drug companies for lower prescription drug prices for seniors. We listened to their views. And we told them that we would work hard to change the law—to permit the Secretary of Health and Human Services to negotiate for fair prices.

We have found no convincing reason to flatly bar the government from negotiating. But there are very real costs. Seniors pay too much for their drugs, and taxpayers pay too much for the Medicare Part D program. By contrast, there are great benefits to be gained by empowering the Secretary to negotiate lower prices for our seniors.

Most importantly, the government will be able to harness the purchasing power of 43 million Medicare beneficiaries. That will mean substantially lower – and fairer – prices on a wide variety of life-saving and life-enhancing drugs.

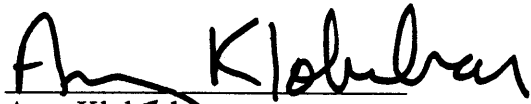
It is time to end a ban on negotiating that makes little sense, and time to deliver lower prices to seniors and cost savings to taxpayers. With this in mind, we were pleased to see that Leader Reid introduced the Medicare Prescription Drug Price Negotiation Act of 2007, S. 3, and referred it to your Committee. And we were pleased to see that the Committee, under your leadership, took up the issue swiftly and thoughtfully by holding a hearing in the new Senate's first week of business.

You and the Leader have set the stage, and efforts are now underway to craft a measure that sensibly establishes and defines the Secretary's power to negotiate. We recognize the need for

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great care in this area. Among other things, we wish to avoid straight price setting and we are not calling for a national formulary or restricted drug lists. We look forward to contributing to the open debate that your committee has begun on this issue. And we look forward to the final result: an end to this ban and a fair, common-sense approach to delivering fairly priced drugs to our seniors.

Sincerely,



Amy Klobuchar
United States Senate



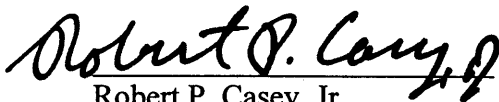
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