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Congress of the United States
House of Representatives
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December 18, 2003

The Honorable Tommy G. Thompson
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201-0004

Dear Secretary Thompson:

I was pleased to read your December 15 announcement that the Department of Health and Human Services (HHS) had negotiated a contract for three million doses of FluMist, the inhaled influenza vaccine, that will be available to state and local health departments. I applaud and appreciate your action to respond to rising demand and meet a public health need.

According to press reports, the Centers for Disease Control negotiated a dramatic price reduction for FluMist, from \$46 a dose to \$20. The December 16 Washington Post story states that sales of FluMist at the \$46 price had been around one-tenth of expected levels, and noted that "stock analysts who follow the two companies [manufacturer and distributor] have long complained FluMist's \$46 price tag is too high." Your negotiated price discount should expand access to the vaccine, and help assuage fears during this particularly virulent flu season.

As I am sure you are aware, the Medicare Prescription Drug, Improvement and Modernization Act contains a provision that denies HHS the very power that it just used to leverage a needed and justifiable price discount on FluMist. Subsection (i) under Subpart 2 – Prescription Drug Plan, PDP Sponsors, Financing, expressly prohibits the Secretary from engaging in negotiations over the price of pharmaceuticals provided through the new benefit. I hope you agree that this provision is contrary to the spirit of what you did on FluMist, and is bad public policy. I plan to work with my colleagues in Congress to repeal this provision of the Medicare law, in order to give you proper authority to act on the public's behalf. I would welcome your support for our efforts.

Again, I thank you for your actions to promote public access to affordable flu vaccines, and look forward to working with you to ensure that you have the same ability to exert such authority on other programs under your Department's jurisdiction.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Allen". The signature is fluid and cursive, with the first name "Tom" being more prominent than the last name "Allen".

Tom Allen
Member of Congress