

## EXTENSIONS OF REMARKS

HONORING LINDA ROMER TODD

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. McINNIS. Mr. Speaker, I would like to take this moment to congratulate Linda Romer Todd of Grand Junction, Colorado, on her recent award. Linda has been named Realtor of the Year by the Mesa County Association of Realtors. This award is well deserved and I would like to honor Linda's service to the community of Grand Junction by paying her tribute.

Linda is currently a Broker/Owner for Associated Brokers & Consultants, Inc., as well as a member of the Mesa County Association of Realtors. While a member for over two decades, she has used her natural ability to lead by donating her time as the Chair of the Governmental Affairs Committee and as the Director of the Association. Her work within the realty profession only begins at the local level and it is her membership at the state level that is most impressive.

As a member of the Colorado Association of Realtors she has again shown her desire to help others by serving in a number of different capacities. She currently serves on a number of committees including the Legislative, Mobilization, and Grassroots Committees where she serves as Co-Chair. She also is currently serving as Director of the Association and recently received the Political Service Award for the year 2000. Linda's work within her profession is quite impressive but it is her work to benefit her community that truly demonstrates her compassion to help others.

As a member of the Grand Junction Chamber of Commerce, specifically with the Government Affairs Committee and their Leadership Program, Linda has realized the true importance of helping one's community. She is currently an active and dedicated volunteer for Habitat for Humanity. As a member of this distinguished organization she is currently serving as President of the Mesa County division and Director of Habitat for Humanity of Colorado.

Linda's contributions to Mesa County and the State of Colorado are significant. It makes me proud to know that such outstanding individuals reside within the 3rd Congressional District. On behalf of the State of Colorado and the U.S. Congress I would like to congratulate her on her recent award and wish her the very best as she continues to work to better her community.

HONORING QUEENIE PEGRAM

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. TOWNS. Mr. Speaker, I rise today to honor Queenie Pegram, who her friends describe as "very pleasant and good company."

Queenie Pegram was born on October 23, 1900 in Stony Creek, Virginia. She is the fourth child of seven siblings. Ms. Pegram came from a very religious family and was baptized at the age of ten.

She married her husband James in 1931 and moved to Brooklyn, New York where they immediately joined the church. Although they never had children of their own, Queenie and James raised their nephew Arthur and their cousin Brenda from infants.

Ms. Pegram has been a member of the Missionary Society in her church for 69 years. For 30 of those years she served as the president. During those 69 years she served her community well, visiting and caring for the sick and shut-ins. Often she would reach home late, after a full day's work at her housekeeping job. She would read and pray for the sick way past her dinner hour.

Ms. Pegram lives independent of her family with the help of a home health aid. She is still an active member of the community and attends church every Sunday, and sometimes stays for a double service.

She is always willing to take the time to listen and share her wisdom, especially with the younger generation. Some of her quotes: "The Lord has blessed me all my life, I didn't know them, but I do now;" "Treat others the way you want them to treat you and "Love everyone."

Mr. Speaker, Queenie Pegram is a woman of God and a true servant of the people. As such, she is more than worthy of receiving our recognition today, and I hope that all of my colleagues will join me in honoring this truly remarkable woman.

STARK PROVIDES FURTHER EVIDENCE OF NEED FOR FDA INVESTIGATION INTO DRUG COMPANY PRICE MANIPULATION

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. STARK. Mr. Speaker, I am today submitting for the RECORD a letter I sent to Dr. Jane E. Henney, Food and Drug Administration Commissioner. This letter provides additional information recently discovered during ongoing Congressional investigations into drug company price manipulation and supplements my previous two letters to Dr. Henney.

Recent congressional investigations have collected evidence that certain drug companies consistently inflate prices and engage in other improper business practices in order to create windfall profits from Medicare and Medicaid reimbursements. In response, drug companies have stated that such drug inflation has been consistent with, and perhaps even required by, flaws in the reimbursement system's reliance on Average Wholesale Price (AWP). Further, drug companies contend that AWP's are meaningless numbers.

However, as the letter below and its accompanying exhibits demonstrate, drug companies do indeed rely upon AWP's to advertise their drugs. And, in fact, drug companies often advertise truthful drug prices when there is no Medicare reimbursement available. The evidence uncovered suggests that contrary to drug company statements, it is not a flawed reimbursement system that leads drug companies to inflate their prices. Instead, it is drug companies' dishonest pricing based on their desire to create a profit for prescribing physicians seeking Medicare or Medicaid reimbursements.

My reading of the Federal Food, Drug and Cosmetic Act and its corresponding regulations suggests that the FDA should pay particular attention to these misleading drug company actions. And I again request that the FDA conduct a comprehensive investigation into such drug company business practices. My third letter to the FDA regarding this issue follows:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
*Washington, DC, October 31, 2000*

Dr. Jane E. Henney,  
*Commissioner, Food and Drug Administration,  
Rockville, Maryland.*

DEAR DR. HENNEY: I write to provide essential, additional information to you about price manipulation by some drug companies arising from ongoing Congressional investigations. Such drug company price inflation exploits the Medicare and Medicaid programs. This is the second supplement to my letter to you of October 3, 2000.

Recent media reports of statements by certain drug company executives reveal a concerted effort to continue to mislead the Congress and the public about the nature of their companies' actions. Specifically, the drug companies have represented that their conduct, including their inflated price reports that have resulted in admittedly excessive Medicare reimbursements, has somehow been consistent with, and perhaps even required by, flaws in the reimbursement system's reliance upon Average Wholesale Price (AWP). This logic is premised on the erroneous contention that the AWP's associated with their drugs are meaningless numbers that should not reasonably be relied upon as an indicator of wholesale prices. Such statements are in themselves deceptive.

The evidence developed during the course of the Congressional investigation reveals that it is routine for the drug industry to advertise a drug product's price in the AWP

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

format and to encourage the consideration of AWP as one factor when evaluating competing drug products. Indeed, the drug companies often compare their drug's AWP with that of a competitor in an effort to demonstrate their drug's superiority from a cost perspective and to influence physician prescribing decisions. Such advertisements are directed at prescribing physicians, pharmacists, and other health care professionals and take many forms, such as direct contacts, flyers, and trade publications such as the Red Book, Drug Topics and Medical Economics which are each published or updated monthly.

When there is no inflated Medicare reimbursement available for the prescribing physician, companies often advertise truthful AWP prices. To illustrate this, I have attached, as Composite Exhibit "1", copies of advertisements by Rhone-Poulenc Rorer ("RPW") which accurately communicates its price of Dilacor XR in the form of AWP and compares the higher AWP price of the competing drug Cardizern. RPR then emphasizes that the physician should prescribe Dilacor over Cardizern in order to save the patient money:

"Now DILACOR XR provides potential cost savings when angina patients are prescribed diltiazem."

Attached as Composite Exhibit "2" are examples of Bayer Pharmaceutical advertisements for its drug Cipro where the drug company again accurately describes its price in the form of AWP and touts the cost savings to the patient in comparison to five competing drugs. Bayer explained it as follows:

"New CIPRO Cystitis Pack reduces the cost of branded therapy"

It is important to note that both RPR and Bayer use accurate AWP's to urge physicians to consider the cost to the patient when exercising medical judgment in selecting from competing brand drug therapies. Price, as expressed in the industry standard format of "AWP", is clearly an important characteristic that is considered in evaluating drug products. Indeed, Bayer's AdalatCC advertisement attached as Exhibit "3", which features the popular "Dragnet" star Jack Web, drives home this point:

"Just the Facts  
Powerful blood pressure control  
Comparable to Procarida, XL or Norvasc  
At a more affordable price" (footnotes omitted).

Footnote 6 of the ad's accompanying materials cites the Red Book—indicating that the AWP is considered a relevant benchmark when evaluating the drug's price.

Composite Exhibit "4" demonstrates that physicians seek the lowest drug prices when there is no financial incentive to utilize the highest price drugs. PDR Generics provides pricing information on prescription drugs in "one comprehensive, authoritative volume." The accompanying documents state the following:

"PDR GENERICS is the drug reference designed to help you find the most cost-effective generic alternatives for any prescription medication. . . ."

Exhibit "4" also provides further evidence that AWP prices are widely used as a reference tool:

"All detailed NDC and AWP pricing information is drawn from the authoritative RED BOOK database, Pharmacy's Fundamental Reference."

Ordinarily, drug companies ensure that their AWP's are an accurate reflection of price when engaging in such marketing and advertising activities. Clearly, such adver-

tisements would be misleading if the drug company were aware that the published AWP's had no factual basis and could not be realistically considered as a benchmark for prices. I strongly believe that if any of the above ads used falsely manipulated AWP's to fraudulently indicate that the advertised drugs were less expensive when in fact the drug company was aware that it is more expensive, FDA or FTC enforcement would be warranted.

Unfortunately, such AWP manipulation is at the heart of the misconduct that Congress has uncovered in its investigation. As I have noted previously, the acts are being committed by some drug companies who know that the drug will be reimbursed by Medicare and that a health care professional will profit if the price is inflated. Advertising an AWP in the Red Book that falsely overstates a drug's price is as misleading as advertising an AWP that falsely understates the price. One form of false advertising misleads third parties to pay more for a drug and induces doctors, who submit the claim themselves, to prescribe the most profitable drug. The other form misleads the doctor into believing that a drug, to be dispensed at a pharmacy and not claimed by the doctor, is cheaper for the patient when it is not. I believe both actions should be considered violations of the Federal Food, Drug, and Cosmetic Act.

AWP information is created by drug manufacturers for the express purpose of influencing decisions about their drugs. Although it appears most AWP representations are accurate and are affirmatively used to inform about cost savings, some drug manufacturers have chosen to inflate AWP's to exploit the Medicare and Medicaid Programs and thereby expand sales. Medicare and Medicaid relies on AWP's because the drug industry employs AWP to communicate prices. Drug manufacturers must not now be permitted to misconstrue the facts revealed in Congressional investigations by contending that the reimbursement system is flawed when they themselves provided the misleading information.

Following up on my last two letters on this same issue, I reiterate that my reading of the Federal Food, Drug, and Cosmetic Act and the corresponding regulations suggests that the FDA should pay particular attention to these misleading drug company actions. Accordingly, I request that the FDA conduct a comprehensive investigation into drug company business practices that includes the additional exhibits referenced above.

Sincerely,

PETE STARK,  
Member of Congress.

IN HONOR OF OLGA CHORENS AND  
TONY ALVAREZ, "OLGA AND  
TONY"

**HON. ROBERT MENENDEZ**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Olga Chorens and Tony Alvarez ("Olga and Tony"), two very special and talented entertainers, who have been in show business for six decades.

Olga and Tony began their careers as singers in Cuba during the early 1940's. When

they married in 1945, their celebrity status turned the wedding into a popular social event.

After the wedding, Olga and Tony went on a 5-year tour through Latin America, which began in Panama and ended in Argentina. Upon returning to Cuba, they were offered the opportunity to host a daily 1-hour television and radio program for CMQ and Radio Progreso, which they did with great success from 1951 to 1959, while also recording many successful albums. Because of their popularity, Olga and Tony were named Miss and Mr. Cuban Television.

Olga and Tony fled communist rule in Cuba for New York City and Puerto Rico, where they again performed on television. From 1965 to 1972, they performed on Telemundo, Channel 7, Channel 11, and WNJU Channel 47 in New York.

For the past 20 years, Olga and Tony have lived in South Florida, where they maintain a large fan base and where their voices can be heard every Saturday morning on Radio Mambi. They also star on "El Show de Olga y Tony," which airs twice a week on Tele-Miami. In 1999, they were awarded a Star on the "Calle Ocho" Walk of Fame.

As entertainers, Olga and Tony have always promoted family values. They have been married for 55 years, and their parents and children often participated in bringing family-based entertainment to the television audience.

Today, I ask that my colleagues join me in honoring Olga Chorens and Tony Alvarez for entertaining so many for so long, and for being inspirational role models to Hispanics throughout Latin America.

#### TRIBUTE TO STAN JENNINGS

**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mrs. MORELLA. Mr. Speaker, I rise to salute Stan Jennings, a multitalented writer, illustrator, cartoonist, and photographer from Silver Spring, MD. His new book, *The Capitol and the Kids* focuses on Congress, Washington, and Montgomery County, MD, the district I have had the honor to represent in the U.S. House of Representatives since 1987.

The Capitol and the Kids is a refreshing, delightful look at the history of Washington through the eyes of Stan Jennings over the past 75 years. Stan, a native Washingtonian was born at Forest Glen, grew up in the shadow of the Capitol dome on Jenkins Hill, or, as he calls it his "kindergarten and entertainment center." The Capitol and the Kids gives the reader an unusual and heartwarming glimpse of the city, its great figures, and its not so greats. Through his pictures, sketches, and sense of humor he has observed the highlights and lowlights of the past 75 years.

The Kids are the folks in Washington. They include 435 Congressmen, 100 Senators, 9 Justices, a President, a Vice President, and numerous newspaper men and women. Stan Jennings has the unique ability to offer a thoroughly enjoyable trip through this century's