

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