

**Congress of the United States**  
**Washington, DC 20515**

April 20, 2014

The Honorable Kathleen Sebelius  
Secretary  
United States Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Re: One Year Transition Period for State Implementation of Average Manufacture Price (AMP)-based Federal Upper Limits (FULs)

Dear Secretary Sebelius:

The Centers for Medicare and Medicaid Services (CMS) announced in November of 2013 that in July 2014 the final publication of the Medicaid AMP-based FULs would occur and from that point forward AMPs should be utilized. We are greatly concerned that states are not prepared to make such a rapid transition considering that CMS expects states, by July 2014, to modify both drug reimbursement and possibly dispensing fees for Medicaid reimbursement. We urge CMS to permit states a transition period of one-year for implementation of the FULs as well as corresponding dispensing fee changes once they have the information they need to make these changes.

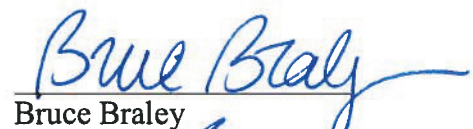
Many states will simply be unable to immediately implement the FULs in July 2014. Most states face numerous obstacles to such a quick implementation, including the need for legislative or regulatory changes, legislative sessions this year that do not allow for Medicaid reimbursement changes, the need for cost-of-dispensing-fee studies to ensure accurate pharmacy reimbursement, and/or will have to file a State Plan Amendment to implement the new FULs. There is no doubt as to the existence of such obstacles, given that the National Association of Medicaid Directors (NAMD), in September, 2013, submitted a letter to CMS requesting that CMS provide states with a transition period of up to one year for implementation of AMP-based FULs.

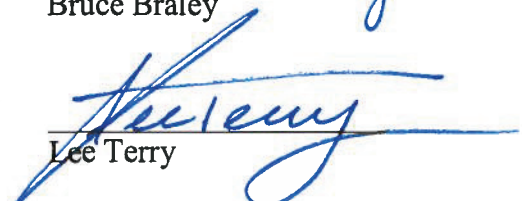
We believe that it is not feasible for most states to make necessary changes to both drug reimbursement and dispensing fees by July 2014. We therefore urge CMS to provide states a one-year transition period for implementation of the final AMP-based FULs and dispensing fee changes once they have all of the information they need from CMS.

Sincerely,

  
Mike Rogers (MI)

  
Marsha Blackburn

  
Bruce Braley

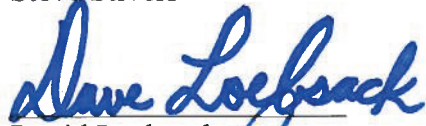
  
Lee Terry



David G. Valadao



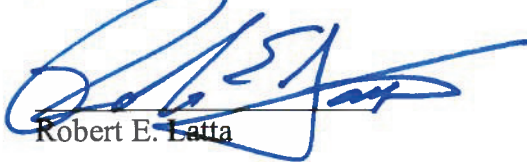
Steve Stivers



David Loeb sack



Michele Bachmann



Robert E. Latta



Jamie Herrera-Beutler



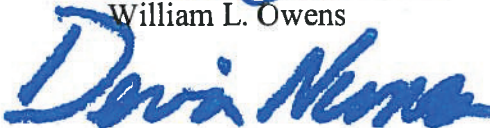
Blake Farenthold



Patrick J. Tiberi



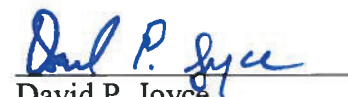
William L. Owens



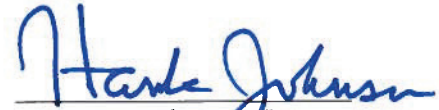
Devin Nunes



Nick J. Rahall



David P. Joyce



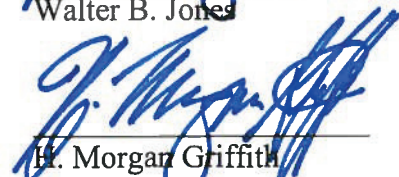
Henry C. Johnson, Jr.



Gus M. Bilirakis



Walter B. Jones



H. Morgan Griffith



Kevin Cramer




Tom Cotton



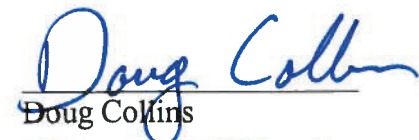
Renee L. Ellmers



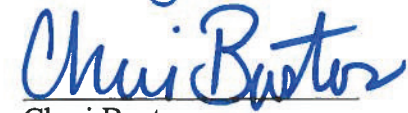
Bill Johnson



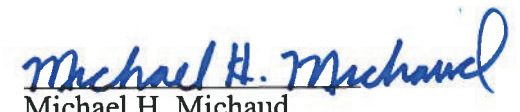
Ron Kind



Doug Collins





Cheri Bustos



Michael H. Michaud

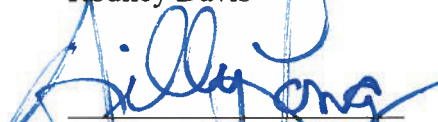
  
Bradley S. Schneider

  
Joyce Beatty

  
F. James Sensenbrenner, Jr.

  
Lou Barletta

  
Rodney Davis

  
Billy Long

  
Aaron Schock

  
Mark Meadows

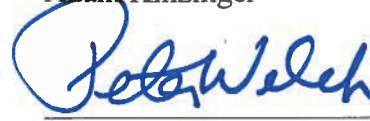
  
Tom Reed

  
Mike Kelly

  
Tom Marino

  
Erik Paulsen


  
Adam Kinzinger

  
Peter Welch

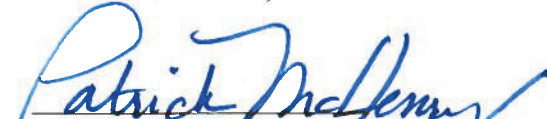
  
Sean P. Duffy

  
Sam Graves

  
Susan W. Brooks

  
Patrick Murphy

  
Steve Southerland, II

  
Patrick T. McHenry

  
Joe Wilson