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**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-1901

COMMITTEE ON THE BUDGET  
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AFFORDABLE MEDICINES TASK FORCE  
Co-CHAIR

May 22, 2008

Speaker Nancy Pelosi  
Office of the Speaker  
H-232, U.S. Capitol  
Washington, D.C. 20515

Dear Madam Speaker:

I write to draw your attention to an issue which continues to affect health care providers in my district and others across the country.

As you may know, a provision in the Deficit Reduction Act of 2005 has limited access to affordable prescription contraceptives for university and college health care centers and certain family planning clinics, limiting the ability of these facilities to provide comprehensive reproductive health care to their patients. Some providers have been forced to stop offering birth control, while others are facing such significant financial hardship that they are considering closing their doors. Today, May 22, 2008, the Senate passed the Supplemental Appropriations Act of 2008, which included a fix to this problem. I respectfully ask that you include this provision in the conference report of the Supplemental Appropriations Act of 2008.

The Medicaid Anti-Discriminatory Drug Price and Patient Benefit Restoration Act, passed in 1990, included measures to ensure that Medicaid was able to access the lowest possible prices for prescription drugs. Congress also sought to protect the ability of certain safety net health care providers to receive prescription drugs at a low cost. Under the Nominal Pricing Exception (NPE), companies that make drugs available to safety net providers at less than ten percent of the average manufacturer price can do so without facing increases in their Medicaid rebate payments.

The Deficit Reduction Act of 2005 included a provision intended to ensure that the NPE was not being taken advantage of by drug manufacturers. This provision narrowed the type of health care providers eligible for the NPE, but in what appears to have been an oversight, two significant safety net providers of reproductive health care were left out of the law: family planning clinics that do not receive Title X funding and college and university health care clinics. The result, since the provision went into effect on January 1, 2007, has been dramatic increases in the cost of prescription contraceptives available to these facilities.

According to Planned Parenthood, there are approximately 400 family planning clinics or community health centers that lost their ability to purchase low-cost contraceptives because of this new law. Though they do not receive Title X funding, these facilities serve a similar

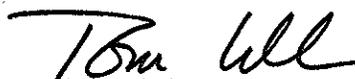
population as clinics that do receive such funding, and serve an estimated 500,000 to 750,000 low-income women in 36 states each year. These health care providers, already facing tight budgets, now face sudden and significant challenges as they attempt to continue providing contraceptives while maintaining their other services. The enormous increase in prices for birth control pills threatens not only the availability of these prescriptions to women with fixed incomes, but also the ability of health care providers who provide reproductive health care to keep their doors open and continue to offer services vital to the communities they serve.

Health clinics on college and university campuses have also been significantly affected by the increase in contraceptive costs. At Bowdoin College in Brunswick, Maine, my alma mater, the health center previously subsidized certain oral contraceptives and the NuvaRing, making them available to female students free of charge. When the price of these contraceptives jumped from \$2 to \$3 dollars a month to \$20 to \$30 a month, the college could no longer afford to provide these products. These forms of birth control are no longer available at the health center and students must now fill their prescriptions at local pharmacies.

The availability of accessible and affordable reproductive health care is vital for women of all ages and incomes. Low-income women, students, and others who receive their health care from safety net providers have benefited from the low cost of contraceptives under the NPE. The changes to the NPE structure by the Deficit Reduction Act have limited the access and affordability of prescription contraceptives. A legislative fix to this problem would come at no cost to the taxpayer.

Again, I encourage you to include a legislative remedy to this problem in the conference report of the Supplemental Appropriations Act of 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Allen". The signature is fluid and cursive, with a large initial "T" and "A".

Tom Allen  
Member of Congress

THA:msw