

Mr. Speaker, Lonnie Thompson's accomplishments are of the highest order and support the needs of the Department of Defense for today and tomorrow. Mr. Thompson's leadership and commitment is what we recognize and honor today.

RECOGNITION OF BILL CHENEY,  
NEWLY ELECTED DIRECTOR ON  
THE BOARD OF THE NATIONAL  
ASSOCIATION OF FEDERAL  
CREDIT UNIONS

**HON. HENRY BONILLA**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 11, 2000*

Mr. BONILLA. Mr. Speaker, today I recognize Bill Cheney, the President and CEO of Xerox Federal Credit Union, headquartered in El Segundo, California, for his recent election to the board of the National Association of Federal Credit Unions (NAFCU). I have had the pleasure of knowing Bill for over 16 years, many of which he spent in my congressional district at Security Service Federal Credit Union in San Antonio, Texas. During that time, we spent many years working together on issues that affect the citizens of the 23rd Congressional District of Texas. Bill also shares my life-long commitment to supporting all athletes at the University of Texas at Austin.

Even though Bill left San Antonio to become President and CEO at Xerox Federal Credit Union, he continues to keep me updated on credit union views. He even makes it back to Texas from time to time to visit Xerox Federal Credit Union offices. Xerox Federal Credit Union, which has over 73,000 members, serves employees of Xerox Corporation and related companies nationwide through 16 credit union offices in 9 states including California, New York, Illinois, and Texas.

His election to the NAFCU board culminates 15 years of dedicated work in the credit union industry. I congratulate my friend Bill Cheney on his recent election to the NAFCU Board and look forward to continuing to work with him and America's credit unions. I know Bill will be an outstanding voice for credit unions everywhere.

SUPREME COURT SECURITY ACT  
OF 2000

SPEECH OF

**HON. SHEILA JACKSON-LEE**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 10, 2000*

Ms. JACKSON-LEE of Texas. Mr. Speaker, as indicated by my colleague, H.R. 5136 would make permanent the authority of the U.S. Supreme Court Police to provide security for its Justices, Court employees, and official visitors on and off the Supreme Court grounds. The U.S. Supreme Court Police were first authorized by Congress to carry firearms and protect court personnel and visitors outside Supreme Court grounds in 1982. The statutory authorization was scheduled to terminate on December 29, 1985. In December 1985, the Congress extended such authorization and has done so five additional times in

the subsequent years. The last extension occurred in October 1996, and is set to expire December 29, 2000.

It is clear that the security concerns which gave rise to the original authorization, including threats of violence against the Justices and the Court, will continue for the foreseeable future. In addition, I am not aware of any suggestion or concern that the U.S. Supreme Court Police has misused its authority, or should not be entitled to such authority on a permanent basis.

In fact the evidence suggests that the U.S. Supreme Court Police has discharged its responsibilities in an efficient and cost effective manner. For example, the cost of the program has been minimal. The Supreme Court Police work closely with the U.S. Marshal's office to provide security for Supreme Court Justices when they travel outside the Washington, DC, metropolitan area. Over the past 4 years, there were 74 requests for Supreme Court Police protection beyond the D.C. metropolitan area at a total cost of \$16,855, or \$4,214 per year.

In light of continuing security concerns, and the Supreme Court Police's record of providing appropriate protection over the past 18 years for the Justices, Court employees, and official visitors, I support making the Supreme Court Police authorization to provide security on and off Supreme court grounds permanent. As a result, I urge my colleagues to support the bill.

A TRIBUTE TO GAIL WEISS

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 11, 2000*

Mr. GILMAN. Mr. Speaker, I am pleased to join with my colleagues this evening to recognize the long, distinguished career of Gail Weiss. Gail, who serves so ably now as the Minority Staff Director on the Committee on Education and the Workforce, and before that as Staff Director of that Committee, had earlier served as Staff Director of our Committee on Post Office and Civil Service, chaired by my good colleague, the gentleman from Missouri, Mr. CLAY. Serving as the Ranking Minority Member of the Post Office Committee at that time, I had the opportunity to work closely with Gail. I found her to be a true professional and I appreciated the time she took to listen to our positions on various issues before our Committee.

We will surely miss having Gail's experience and institutional memory upon which to rely. Gail is one of a dwindling corps of staff who have the ability to put the measures before us into the perspective of earlier legislation enacted to address important issues. Her expertise on postal and civil service issues and those before the Committee on Education and the Workforce have helped us to develop legislative initiatives that address these issues in an effective manner.

I am certain that Gail will continue to be active in a number of areas that are of keen interest to her. I know that our colleagues will also continue to reach out to her for her thoughts on key matters that we deal with in the Congress. I've certainly become fond of both Gail and her husband Jack and wish

them great success, happiness, and good health as they enter this new and rewarding time in their lives.

TRIBUTE TO ITALIAN GARDENS  
RESTAURANT

**HON. KAREN MCCARTHY**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 11, 2000*

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to pay tribute to a Kansas City, Missouri family tradition. Seventy-five years ago a small, family owned business established its roots in the heart of Kansas City. Today, the Italian Gardens Restaurant is a well established and celebrated Kansas City landmark and popular eatery.

The late John Bondon, Sr., first opened the Italian Gardens Restaurant in 1925 with his nephew Frank Lipari. It was a difficult time for the partners and most of the country as the economy collapsed and a world war became a reality. Despite these challenges Italian Gardens persevered and in 1933 the restaurant was able to move to its current location at 1110 Baltimore with the help of a \$1,500 loan from a waitress. John Bondon and Frank Lipari owned only one new pair of shoes worn by whomever was working with the public in the front of the restaurant. When America entered World War II, the Italian Gardens recognized the anti-Italian sentiments present at this time and was forced to temporarily change the name of the restaurant to "The Gardens." The restaurant was available for dinner only since many of the staff was working in the defense industry.

Over the past 75 years, the Italian Gardens has spanned five generations of family proprietorship and attracted a large and loyal following of patrons. The restaurant has attracted a diverse crowd of customers such as Joe Di Maggio, Katherine Hepburn, Frank Sinatra, Liberace, and the famed outlays Bonnie Parker and Clyde Barrow. For seventy-five years the Italian Gardens has been known by businessmen, artists, athletes, and neighbors to be a large community table and gathering place where everyone is made to feel welcome and part of the family.

Throughout their rich heritage the Italian Gardens Restaurant has been a significant charitable and civic contributor to our community, including lending the talents and expertise of its executives to critical boards and commissions benefitting the Greater Kansas City Area. The Italian Gardens family includes the now retired Carl DiCapo, John Bondon, president of the restaurant company, and great-nephew of the original co-founder, Bondon's mother, Carolyn Berbiglia, Bondon's wife, Vicki, and his daughter Bianca. The Italian Gardens is a Kansas City landmark that has served as a model of success in our community. It is one of the few longtime family owned operations still present in our region. This cherished local eatery has established a standard of excellence that will continue to be celebrated for years to come.

Mr. Speaker, please join me in congratulating the Italian Gardens Restaurant family as it celebrates seventy-five years of service to the Kansas City community.

# STARK CALLS FOR FURTHER FDA INVESTIGATION INTO ABUSE OF AVERAGE WHOLESALE PRICE SYSTEM

## HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 11, 2000

Mr. STARK. Mr. Speaker, I today sent the following letter to the FDA, in support of an investigation of how some of the nation's leading drug manufacturers are using false pricing data to distort the practice of medicine in America. The data in the letter is an indictment of the companies' abuse of the taxpayer and of the patient.

I submit the following letter into the RECORD:

HOUSE OF REPRESENTATIVES,  
Washington, DC, October 10, 2000.

Dr. JANE E. HENNEY,  
Commissioner, Food and Drug Administration,  
Rockville, MD.

DEAR DR. HENNEY: I am writing you to supplement my recent letter of October 3, 2000. I would request that any FDA investigation into whether certain drug companies have engaged in conduct that violates FDA rules or regulations take into account the following:

1. *The findings contained in the HHS-OIG report entitled Infusion Therapy Services Provided in Skilled Nursing Facilities (December 1999 A-06-99-00058) Exhibit #1.* The OIG's independent findings provide compelling evidence of the magnitude, cost and public health issues resulting from drug price manipulation of the Medicare program.

The following excerpts from the above referenced OIG report are particularly noteworthy:

"Our review of three infusion suppliers, for the period 1995 through 1998, showed they provided infusion therapy services to Medicare-reimbursed SNFs that were excessively priced and unnecessary." (Page #1)

"At the 22 SNFs, \$4.8 million out of \$9 million in claims reviewed (53 percent) were not medically necessary." (Page #1)

"In addition to the financial effects we noted above, overutilization and overpricing were potentially harmful to the patients. Medical reviewers who were part of our audit concluded that patients receiving unnecessary infusion therapy services were placed at undue risk for complications, including increased risk of infection, fluid and electrolyte imbalance, and medical reactions. Fur-

thermore, in addition, infusion services are invasive procedures that are painful and, when unnecessary, reduce the quality of life."

"Based on a survey of infusion suppliers in Texas, we found that charges for infusion drugs varied widely, from as little as Average Wholesale Price (AWP), which is generally considered a reference price for drugs by the pharmaceutical industry, to more than 20 times AWP." (Page #6)

2. *The public health consequences of the drug pricing manipulation by certain companies for the IV antibiotic Vancomycin, the drug of last resort for many life threatening infections.* Exhibit #2 features an article from Hospital Pharmacist Report entitled Under Attack Vancomycin-resistant S. Aureus Hits U.S. Shores. "The widespread, and often unwarranted, use of antimicrobial agents, particularly vancomycin is a major contributing factor in the emergence of S. aureus with diminished susceptibility to vancomycin." Indeed, as stated in the article, the problem has reached the level where the CDC has called for strict limits on the use of this vital drug. "Published in the MMWR, detailed recommendations for preventing and controlling S. aureus with diminished susceptibility to vancomycin emphasize strict adherence to contact isolation precautions and their recommended infection control practices, *judicious use of vancomycin* . . ." (emphasis added).

Enclosed as composite Exhibit #3 (provided by the industry insider pursuant to a congressional subpoena) is:

1. Listings from the 1995, 1996 & 1999 Red Book for Abbott's generic Vancomycin.

2. Copies of advertisements from Florida Infusion for the years '95, '96 and '99 for Abbott's generic Vancomycin.

The following chart summarizes Exhibit 3:

### ABBOTT'S VANCOMYCIN

[1 gm. 10s NDC#00074-6533-01]

Year	Red Book AWP	Red Book DP	Florida infusion true wholesale price	Difference between AWP & true price "The Spread"
1995	604.44 (60.44/1 gm.)		\$8.40/1 gm	\$52.04
1996	628.66 (62.86/1 gm.)	612.90	\$7.95/1 gm	\$54.91
1999	727.82 (72.78/1 gm.)		74.00 (\$7.40/1 gm.)	\$65.38

As the above chart also demonstrates, Abbott actually raised its representations of AWP from 1996 to 1999 while the true wholesale price to providers fell from \$7.95 to \$7.40. Abbott's price manipulation, creating a fi-

nancial incentive for doctors to increase their usage of Vancomycin at a time when America is experiencing a health crisis, is reprehensible conduct and clearly warrants an FDA investigation.

You may question why a major drug company would engage in this deplorable conduct? Abbott's direct benefit from its false price manipulation is demonstrated by data (enclosed as Exhibit #4 provided by the industry insider pursuant to a congressional subpoena) for calendar year 1996 from the State of Florida's Medicaid Pharmacy Program. The data outline Florida Medicaid's reimbursements paid to the customers of Abbott and utilization of Abbott's generic Vancomycin. Abbott maximized sales volume and captured the Florida Medicaid pharmacy market for Vancomycin by causing the Florida Medicaid program to substantially inflate reimbursement to the detriment of Florida's Medicaid Program. As you know, drug companies capture market share and maximize sales volume by concealing true drug prices while falsely representing grossly inflated prices which in turn creates a spread between the providers' costs and the amount of reimbursement paid by Medicaid or Medicare. As a result, Abbott has captured the majority of the market (at least for Medicaid) by creating a financial incentive for doctors to increase their usage of the over-prescribed drug (Exhibit #5—prepared by the National Association of Medicaid Fraud Control Units in conjunction with their ongoing investigation).

The insider's evidence demonstrates that providers will purchase and utilize the pharmaceutical manufacturer's product that has the widest spread between the provider's true cost and the reimbursement paid by third parties (including the States' Medicaid Programs and Medicare). For example, 1996 reimbursement demonstrates that the manufacturer which causes the widest spread, benefits from the highest utilization. The pharmaceutical manufacturers Abbott, Fujisawa, Lederle Lilly and Schein all made representations of Wholesaler Acquisition Cost ("WAC") to the State of Florida as illustrated in the chart below. The chart further sets out the number of reimbursed claims, the insider's cost and "the spread" between Medicaid reimbursement and true cost. A review of the chart clearly demonstrates that the vast majority of providers utilize the manufacturer's pharmaceutical with the greatest spread between the true Wholesale Acquisition Cost and the inflated false WAC reported by Abbott.

### 1996 FLORIDA MEDICAID UTILIZATION FOR VANCOMYCIN HCL 1 GRAM

Company/NDC	True cost \$	Florida Medicaid Reimbursement	The spread	Reimbursement paid by Florida Medicaid	% of market share
Abbott/00074-6533-01	\$7.95	\$58.75	\$50.80	\$381,480.78	83.37
Fujisawa/00469-2840-40	6.42	13.91	7.49	19,023.54	4.16
Lederle/00205-3154-15	3.98	9.36	5.38	21,297.64	4.65
Lilly/00002-7321-10	14.30	13.35	(0.95)	19,096.96	4.17
Schein/00364-2473-91	6.05	12.52	6.47	16,672.18	3.64

It is important to note that Abbott publishes and reports truthful prices for many of its drugs when it does not seek to create a fi-

nancial incentive to the provider. The following attached as composite Exhibit #6 is a

chart specifying numerous drugs for which Abbott reports truthful prices:

### ABBOTT LABS 1999 REPRESENTATIONS OF PRICES AND COST AND STATES' MEDICAID REIMBURSEMENT

Drug Strength & Size, NDC# 00074-	Red Book AWP	Bergen Brunswig cost (WAC*)	Provider cost with 7% up-charge	Florida Medicaid WAC + 7%	New York Medicaid AWP-10%
Biaxin 500 MG, 60S NDC#2586-60	\$195.59	\$164.13	\$175.62	175.62 Spread \$0.00	\$176.04 Spread \$0.42 (0.2%).
Cartol 5mg, 100s NDC#166-13	106.18	88.76	94.97	94.97 Spread \$0.00	\$95.57 Spread \$0.60 (0.6%).
Cylert Tablets 37.5mg, 100s NDC# 6057-13	144.84	121.67	130.18	130.18 Spread \$0.00	\$130.36 Spread \$0.18 (0.1%).