

Marion Roussel directly requesting pricing information for Hoechst's new drug Anzemet. Exhibit #5 is a copy of the fax sent to the Florida Official by Hoechst containing Hoechst representations of its prices.

The following chart represents a comparison of Hoechst's fraudulent price representations for its injectable form of the drug versus the actual prices paid by the industry insider. The industry insider was aware that a 100 mg vial of Anzemet could be purchased from a wholesaler/distributor for \$70.00. The chart compares Hoechst's price representations for the tablet form of Anzemet and the insider's true prices. It is extremely interesting that Hoechst did not create a spread for its tablet form of Anzemet but only the injectable form. This is because Medicare reimburses doctors for the injectable form of this drug and not the tablet form. And by providing doctors a profit, Hoechst can influence prescribing. The tablet form is usually dispensed by pharmacists who accept the doctor's order. This example reflects the frustration that federal and state regulators have experienced in their attempts to estimate the truthful prices being paid by providers in the marketplace for prescription drugs. Likewise, it underscores that we cannot rely upon the drug companies to make honest and truthful representations of their prices, and that Congress may be left with no alternative other than to legislate price controls.

Some drug companies have also utilized a large array of other impermissible inducements to mask true prices and stimulate sales of their drugs. These inducements, including bogus "educational grants," volume discounts, and rebates or free goods are designed to result in a lower net cost to the purchaser, while concealing the actual cost beneath a high invoice price. A product invoiced at \$100 for ten units of a drug item might really only cost the purchaser half that amount. Given, for instance, a subsequent shipment of an additional ten units at no charge, or a "grant," "rebate" or "credit memo" in the amount of \$50, the transaction would truly cost a net of only \$5.00 per unit. Through all of these "off-invoice" means, drug purchasers are provided substantial discounts in exchange for their patronage, while maintaining the fiction of a higher invoice price—the price that corresponds to reported AWP's and inflated reimbursement from the government (Composite Exhibit #6):

The above document is particularly disturbing as it indicates that at least one purpose of "masking" the final price with free goods is so that the Federal Supply Schedule ("FSS") falsely appears to be less than that of the hospital price.

Such misleading statements about pharmaceutical products by drug companies clearly entails deliberate price manipulation and in my opinion appears to be directly contrary to the letter and spirit of FDA law. For example, in 1997 Pharmacia & Upjohn reported an AWP of \$946.94 for 200 mg. of Adriamycin PFS while it was offering to sell it to doctor groups such as American Oncology Resources for \$168.00 and to Comprehensive Cancer Center for \$152.00 (Composite Exhibit #7). Pharmacia & Upjohn then aggressively marketed its cancer drugs to health care providers by touting the financial inducements created by the false price representations and other types of monetary payments. It is apparent that Pharmacia & Upjohn created and marketed the financial inducements for the express purpose of influencing the professional judgment of doctors and other health care providers.

Moreover, Pharmacia & Upjohn's strategy of increasing the sales of its drugs by enriching, with taxpayer dollars, the doctors and

others who administer them is reprehensible and a blatant abuse of the privileges that Pharmacia & Upjohn enjoys as a major pharmaceutical manufacturer in the United States. This is perhaps best illustrated by Pharmacia & Upjohn's own internal documents which reveal that it actually abused its position as a drug innovator in an initial Phase III FDA clinical trial for a cancer drug used to treat lymphoma, as detailed in Composite Exhibit #8:

The linking of doctor participation in FDA clinical drug trials to the purchase and administration of profit-generating oncology drugs is entirely inconsistent with the objective scientific testing that is vital to the integrity of the trial. I am hopeful that the FDA will take immediate action to stop such behavior. Such quid pro quo in connection with new drug trials cannot be tolerated.

Doctors must be free to choose drugs based on what is medically best for their patients. It is highly unethical for drug companies to provide physicians with payments for FDA clinical trials and inflated price reports that financially induce doctors to administer their drugs to patients. In particular, Pharmacia & Upjohn's conduct, along with the conduct of other drug companies, is estimated to have cost taxpayers over a billion dollars. It also has a corrupting influence on the exercise of independent medical judgment both in the treatment of severely ill cancer patients and in the medical evaluation of new oncological drugs.

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 am requesting that the FDA conduct a comprehensive investigation into drug company business practices.

Notwithstanding potential prohibitions under the Food Drug and Cosmetic Act, it appears drug manufacturers purposely create confusion and make false and misleading statements about drug pricing in order to deceive the United States Government and the States' Medicaid Programs. Recently there has been much media coverage of this issue—an article entitled "Drugmakers Accused of Price Scheme" in the USA Today and one entitled "How Drug Makers Influence Medicare Reimbursements to Doctors" in the Wall Street Journal.

In the larger sense, this letter and its accompanying exhibits raise questions of drug companies' wrongful influence on physician prescribing behavior, which leads to unsafe medical practice in the U.S. In light of these findings, I urge you to undertake a comprehensive review to ensure Americans are prescribed pharmaceuticals that are safe and effective. Physician prescribing should be based on need, not greed. I am extremely concerned that profit may be causing the public to be prescribed drugs that are not safe and effective for patients.

I have referred this evidence to you so that you may take action against these fraudulent schemes and, if appropriate, enforce relevant law and FDA regulations. I hope that you will take any and all administrative actions to ensure the integrity of drug pricing on behalf of the safety of the American public. And I look forward to discussing with you any necessary legislative solutions.

Sincerely,

PETE STARK,
Member of Congress.

TRIBUTE TO ARTHUR MALAN TINKER ST. CLAIR, AN OUTSTANDING WEST VIRGINIAN, ON HIS RETIREMENT AS U.S. SENATE DOORKEEPER

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mr. RAHALL. Mr. Speaker, two days ago our distinguished senior Senator from West Virginia, ROBERT C. BYRD, rose on the floor to pay tribute to "Tinker" St. Clair of McDowell County, West Virginia. At the end of this year, Tinker St. Clair will retire from his post as senior Doorkeeper in the U.S. Senate after 21 years of distinguished service to that body.

Mr. Speaker, that is but a small part of this man's remarkable contribution to his family, his community, his State and his Nation.

When Arthur St. Clair was a toddler, he was an active little boy which led his grandmother to call him a "little stinker." His envious brother, who couldn't yet pronounce all his words, called him "a little tinker," and the nickname "Tinker" has remained with Arthur to this day.

Arthur "Tinker" St. Clair, born on January 6, 1916, is today 84 years old, having lived a busy, varied life with his late wife of 56 years, Elnora Hall St. Clair, raising their children Patty Lee and Linda, now Linda St. Clair Pence, wife of Ed Pence. Tinker is looking forward to his retirement, so that he can spend some quality time with his three grandchildren, Kimberly George, and Edwin Bryan and Mack Malan Pence. Tinker also looks forward to his greatest love, spending time with his two great-grandchildren, Nicholas Paul George and Jonathan Malan George.

Being a West Virginian, Tinker is the descendant from his father William Woods St. Clair, coal miner, school board member, and small businessman, and his homemaker mother Etta Mae Cochran St. Clair. Tinker was brought up with a strong work ethic, family values, and more than a gentle nudge toward community service handed down by his parents and grandparents, in what has been called "the free state of McDowell."

Mr. Speaker, I have the honor to represent McDowell County, West Virginia, Tinker's homeplace. I just as importantly have the honor of calling Tinker a dear and true friend from day one. Over the years, this southernmost county has seen a decline in population from 100,000 coal miners and their families, to today's count of approximately 30,000 men, women and children. The population drop was brought about when coal mines began to mechanize, and during those years of decline, unemployment has remained higher than the national average for the people who remained in McDowell County. It was the good, strong, determined people like Tinker St. Clair who stayed in the county and who never stopped helping his people in good times and in bad, until his retirement there in 1979.

Upon graduating from Gary High School in 1937, his first job was driving a school bus for McDowell County Public Schools. That is when he first met his future wife, Elnora. Once he was married and raising his children, Tinker went to work in 1941 for the Consolidated Bus Lines (which later became Continental Trailways), where he worked until 1947. Realizing how important transportation was and is

for his community of deep valleys and winding roads, it wasn't long before Tinker started his own taxi service company in 1947, serving Welch, Pineville and Oceana, West Virginia.

But Tinker was born of parents who were also deeply involved in community affairs, and he and his wife Elnora were always ready, willing and able when it came to serving on local political committees, and both were active in the Democratic party of McDowell County West Virginia. As Tinker will tell you, McDowell County went Democratic in 1934 when the first-ever Democrat was elected, and the county has remained a democratic stronghold, with Tinker's help, ever since.

Tinker was proud to be politically active, and he traveled around the county campaigning for Harry Truman, John F. Kennedy, and Lyndon Baines Johnson. He also traveled the county with the late Senator Jennings Randolph, with our senior Senator ROBERT C. BYRD, JAY ROCKEFELLER, and NICK J. RAHALL—and I can tell you that it was a great pleasure whenever I found myself at Elnora's table many, many times during my own campaigns for the House. Tinker recalls that when traveling the county with Ben Cartwright of Bonanza fame, he invited him and his associates back to his home for a home cooked meal—requiring his wife Elnora to have to scramble to fix the meal on a moment's notice—but she did it with great pleasure, for she was as committed as Tinker to helping out the folks running for the Presidency, including Hubert H. Humphrey during his West Virginia campaign.

Tinker gave up the taxi business to become the Deputy Sheriff and Court Bailiff in McDowell County, during which time he became a Member of the McDowell County Democratic Executive Committee, and was a delegate to the National Convention in the years 1952 to 1965. He then became a criminal investigator for the county's prosecuting attorney, and a justice of the peace. Finally, Arthur "Tinker" St. Clair was appointed to the position of County Clerk, and afterwards was reelected to a six year term with a majority vote of 89 percent. That wasn't machine politics folks, that was pure Tinker.

Actually, Tinker hadn't thought of retiring at the age of 63 as County Clerk in 1979, but his children had all moved up to the Washington, D.C. area, and his wife Elnora tired of traveling back and forth to see her grandchildren. So one day, Elnora told Tinker she was once again visiting her children, and he asked her when she would get back. She said she wasn't coming back. That's when Tinker retired from the County Clerk's position and followed his beloved wife of 56 years to Washington.

Now Elnora had her say in June of 1979, and so Tinker retired. But he wasn't happy not working. He just couldn't see himself retiring at age 63. So, Tinker called his old friend, U.S. Senator ROBERT C. BYRD, and asked him if there was anything he could do for him. Senator BYRD took him in hand, and within a month of his arrival in Washington, he began serving as Doorkeeper for the U.S. Senate, where he worked for another, memorable 21 years.

As noted above, Mr. Speaker, Arthur "Tinker" St. Clair was born to the work ethic, to family values, and to community service. He has worked ever since he graduated from high school in 1937. Without a college degree, Tinker rose from bus driver to County Clerk in his

native McDowell County, helping it to grow and to prosper in good times and bad; in a county who knew Tinker St. Clair for his ability to reach out to every person he met—and who always found a way to help whoever asked—whether it was a local resident and friend, a local official, or candidates for President—it didn't matter to Tinker. He was always sure he could make a difference—at home in McDowell County—and on the national level—and he and his late wife Elnora made that difference.

Since coming to Washington 21 years ago to serve as Doorkeeper, Tinker has maintained his cheerful countenance, shared the wisdom of his years, and found words of encouragement for everyone he met. Just like he did all those years of growing up and working to serve the free state of McDowell County, West Virginia.

I hope that when I reach the age of 63, that rather than retire, I will look for another way to serve my country for another 21 years—until I too have reached the age of 84, just like Tinker St. Clair. I will miss seeing Tinker when I have the chance to go over to the Senate side, where I always knew I would get a smile, a firm handshake, and news from down home.

IN HONOR OF THE FEDKIDS CHILD CARE CENTER AND ITS FOUNDER, SUSAN KOSSIN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mrs. MALONEY of New York. Mr. Speaker, I rise today to honor the Fedkids Child Care Center of New York City and its founder, the late Susan Kossin. This is a special time for the Fedkids Center, which is one of the first childcare centers established for the children of federal employees, because it has recently added more than 1,500 square feet of additional space. This expansion more than doubles the capacity of the center and creates additional space that will be able to comfortably care for 83 children—twice the number of children the center could serve when it opened in 1988. This expansion was made possible by the generosity and vision of the founder of Fedkids, Susan Kossin, who unfortunately passed away earlier this year.

Ms. Kossin, who founded the Fedkids Center while employed by the federal government, created the Center, based in Lower Manhattan, because she recognized the lack of adequate childcare facilities in the mid-1980s. Ms. Kossin took on the arduous task of guiding the decisions on site selection, facilities, renovation, equipment, curriculum, licensing, finances, legal issues, contractual issues, affordability plans, and many other aspects of undertaking such an extraordinary challenge.

Ms. Kossin, a working mother herself, ardently supported the Fedkids Center from its conception up until the time of her death. The recent expansion was made possible through a grant that Ms. Kossin left to the Fedkids Center. Aside from the money that financed the expansion, Ms. Kossin's estate has also financed the establishment of a scholarship fund to assist in financing the tuition for children in the Fedkids program. The enthusiastic and nurturing spirit of Ms. Kossin will live on

through the Fedkids expansion as well as through her scholarship.

The organized leadership and guiding spirit of Ms. Kossin made it possible for many mothers and fathers employed by the federal government to feel confident that while they are at work, their children are safe, supervised, and cared for. For providing such an invaluable service, the work Ms. Kossin put toward the Fedkids Center will continually be appreciated in the Lower Manhattan area.

This month, the Fedkids Center will be opening its newly expanded facilities and naming the new center that Ms. Kossin's generosity and guidance created "Fedkids at the Susan Kossin Child Care Center." This new center will continue the mission that the Fedkids Child Care Center set out to accomplish—to provide loving and attentive care for the children of federal and non-federal workers in Lower Manhattan.

Mr. Speaker, I am confident that this mission, based on the unique and foresighted vision of Susan Kossin, will continue for many years to come. Today, I am proud to salute the Fedkids Child Care Center and the admirable generosity of a woman far ahead of her time, Susan Kossin.

PERSONAL EXPLANATION

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mr. HUTCHINSON. Mr. Speaker, on rollcall vote No. 522 of Wednesday, October 11, I was inadvertently detained. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mr. PASTOR. Mr. Speaker, on rollcall votes numbered 525 and 526, I was unable to vote. Had I been present, I would have voted "yea" on both.

PERSONAL EXPLANATION

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mr. SPENCE. Mr. Speaker, on rollcall votes numbered 517, 514, 515, 516, and 518, I was unavoidably detained. Had I been present, I would have voted "yea" on all of the above.

IN HONOR OF THE 50TH ANNIVERSARY OF THE QUEENSVIEW INC. OF QUEENS, NEW YORK

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 2000

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to the Queensview