

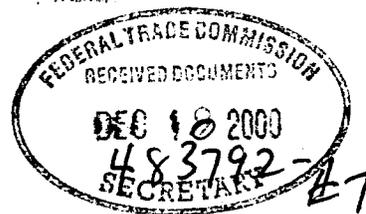


**BlueCross Blue Shield  
Association**

An Association of  
Independent Blue Cross  
and Blue Shield Plans

1510 G Street, N.W.  
Washington, D.C. 20005  
Telephone 202.626.4780  
Fax 202.626.4833

ORIGINAL



December 18, 2000

Donald S. Clark  
Secretary  
Federal Trade Commission  
Room H-159  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

Re: Generic Drug Study – FTC File No. V000014

Dear Secretary Clark:

The Blue Cross and Blue Shield Association (BCBSA) shares the Federal Trade Commission's (FTC's) goal of ensuring that consumer access to lower-cost generic drugs is facilitated by a market free from anticompetitive barriers. As such, BCBSA appreciates the opportunity to provide the FTC with comments on the Commission's proposed study to investigate how generic drug competition has developed in light of certain provisions in the Drug Price Competition and Patent Term Restoration Act of 1984 ("Hatch-Waxman Act") that govern entry of generic drugs into the market.

BCBSA is a federation of independent, locally operated Blue Cross and Blue Shield Plans that collectively provide health care coverage to 75 million – more than one in four – Americans. Blue Cross and Blue Shield Plans have extensive experience in providing prescription drug coverage through a variety of products and delivery mechanisms designed to meet the quality and value demands of their customers.

The skyrocketing cost of prescription drugs, and the impact of these costs on consumers' access to drugs, is widely acknowledged as one of the leading health care crises in our country today. Unlike many other countries, the United States relies on a strategy of market competition — not price controls — to keep prescription drugs affordable. As such, BCBSA strongly believes that the federal government should make every effort to ensure that the current regulatory framework supports a truly competitive prescription drug market.

Over the next five years, several of the top selling brand name drugs will go off patent (e.g., Claritin, Pravachol, Prilosec, Prozac, Vasotec, and Zocor). As the FTC noted in the *Federal Register*, innovator companies seeking to protect the market share of their branded drugs

“may have an incentive and ability to enter into agreements with would-be generic competitors that would slow or thwart the entry of competing generic drug products” into the market. Such incentives make ensuring a competitive market for prescription drugs an even greater challenge for policymakers.

BCBSA believes that consumers should have access to lower-cost generic drugs as soon as possible. We support the FTC’s efforts to re-examine the affect of the 30-month stay and 180-day marketing exclusivity provisions of the Hatch-Waxman Act on the prescription drug market.

BCBSA appreciates the opportunity to comment on the FTC’s proposal and looks forward to working with the Commission on this issue. If you have any questions regarding our comments, please contact Christine Simmon at (202) 626-4838.

Sincerely,



Mary Nell Lehnhard  
Senior Vice President  
Office of Policy and Representation