



May 21, 2007

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To the Editor:

The New York Times' May 9 front page story and May 14 editorial on the use of anti-anemia drugs have done a disservice to millions of patients who suffer from the debilitating effects of anemia, as well as to the physicians who treat them. By assuming that rebates and discounts on anti-anemia drugs drive physicians to over prescribe the drugs, the Times has shifted the focus away from what really matters: what's best for patients.

The Times made no attempt to provide a balanced account of the economics in clinics where these drugs are administered. Under the Medicare Part B program, clinics buy complex drugs, like Amgen's Aranesp®, from wholesalers and then bill Medicare and insurance companies once the drug is administered. This government designed system applies to hundreds of drugs sold by dozens of companies. Under this "buy and bill" system, a physician can actually lose money each time a drug is administered if the physician is unable to buy it below the reimbursement price set by Medicare and private insurers. If a physician is able to buy the drugs below the reimbursement amount, the physician can capture the difference and use it to pay for staff, overhead, office expansion, help for uninsured and underinsured patients and other necessary expenses. For an average Amgen clinic customer, the difference between the reimbursement level and the price paid for Aranesp for a weekly administration of the drug during an office visit is about \$76.

As the Department of Health and Human Services, Office of Inspector General, has noted in the FEDERAL REGISTER: "Public policy favors open and legitimate price competition in health care." Amgen's product discounts and rebates are fully reported to the government. Price competition is fierce in the market in which Aranesp competes, driven by effective customer negotiating activity. This competition has been good for patients, physicians, and Medicare by lowering the average cost per dose by 34% since the introduction of Aranesp in 2001. In our view, it would be a serious mistake to eliminate discounts and rebates and the competitive market forces that have well served the system as a whole.

Perhaps most damaging is the Times' assertion that anti-anemia drugs are over-utilized in clinical practice. In fact, the data suggests that many patients who could benefit from anti-anemia drugs are not receiving them. Of approximately 500,000 patients who suffer from chemotherapy induced anemia, only 270,000 receive anti-anemia therapy. There

are approximately 750,000 patients diagnosed with chronic renal failure (a form of kidney disease) who are anemic and are not treated with anti-anemia drugs.

At Amgen, patient safety is our top priority. The physicians who use our medicines are dedicated to patient safety and delivery of appropriate medical care. We are working diligently to ensure that our medicines are administered according to our label and to the appropriate patients. The scientific evidence demonstrates that Aranesp and EPOGEN® are safe and effective when administered according to the FDA-approved label. By suggesting that physicians over prescribe these medicines to make more money, even risking patient health, the New York Times undermines the trust between patients and physicians.

Very truly yours,

A handwritten signature in black ink, appearing to read "K. Sharer". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kevin W. Sharer