



DEC 17 2009

Washington, D.C. 20201

The Honorable Bill Nelson  
United States Senate  
Washington, DC 20510

Dear Senator Nelson:

I am writing in response to your letter dated November 18, 2009, requesting that my office conduct an immediate review of pharmaceutical drug pricing and its effects on the Medicare and Medicaid programs. Specifically, you cited a recent report released by AARP which found that the price of brand-name drugs increased by 9.3 percent from October 2008 to September 2009. According to that report, this increase was substantially higher than the overall rate of inflation during the same period, as well as the rate of inflation for the same group of drugs in prior years.

My office would be pleased to undertake an evaluation that analyzes price fluctuations for prescription drugs. We will contact your staff to set up a meeting to discuss the specifics of our work. If you have any additional questions, please contact me or your staff may call Erin Lemire, Acting Director of External Affairs, at (202) 205-9523.

Sincerely,

*Daniel R. Levinson*

Daniel R. Levinson  
Inspector General