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May 22, 2008

The Honorable Charles E. Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510-1501

The Honorable Herb Kohl
United States Senate
330 Hart Senate Office Building
Washington, DC 20510-1501

Dear Senators Grassley and Kohl:

The Advanced Medical Technology Association is pleased to write to you today to express its support for the revised Physician Payments Sunshine Act (S. 2029). We greatly appreciate your willingness to work with our industry to ensure that patients receive meaningful information about industry relationships with physicians in a manner that preserves future innovation.

AdvaMed represents more than 1,600 of the world's leading medical technology innovators and manufacturers of medical devices, diagnostic products and medical information systems. More than 70 percent of our member companies are relatively small companies with sales of less than \$30 million per year. Medical devices represent one of the few manufacturing industries where there remains a strong and vibrant balance of trade. According to 2007 data from the International Trade Commission, medical device exports approximated \$4.7 billion. In contrast, imports were barely one-third of that amount, or approximately \$1.5 billion. Our members are committed to the development of new technologies that allow patients to lead longer, healthier, and more productive lives.

Physicians play a vital role in medical technology innovation, and their contribution, which leads to improved patient care, should be valued and understood. This revised legislation lays out a framework for the appropriate disclosure of financial relationships between physician innovators and the companies that make their vision a reality.

Continued innovation in healthcare is driven by the ability of America's medical technology manufacturers to interact and work closely with physicians and other care providers. Their input often leads to significant product improvements and is critical to our industry's iterative development process and improved patient care. It also is essential that physicians receive education and training to ensure that technologies are used safely and effectively.

Working with your staff, AdvaMed put forth its suggested changes to S. 2029 which the association felt were important to ensuring that the information being disclosed was useful, meaningful and put in full context.

These requested changes included:

- Expressly preempting state disclosure laws to ensure consistency in application and patient understanding;
- Requiring compliance by physician-owned manufacturers, distributors and group purchasing organizations (GPOs); and
- Displaying disclosure information in a meaningful and easily understood format that provides the appropriate context for patient education.

AdvaMed is pleased to support the revised legislation with these important changes.

While we are pleased with the direction of the revised bill, we remain concerned that many smaller medical device companies may lack the resources to meet the administrative requirements set forth in the bill. We appreciate your willingness to consider our concerns on the original threshold based on annual revenues, however, we continue to seek an alternative approach that would exempt companies that make payments to physicians of less than \$250,000 annually. We hope you will continue to work with us on this important issue.

Preserving our member companies' ability to interact in a collaborative, transparent and ethical manner is essential. We commend you both for your leadership on this important issue. We also wish to thank your staff for working through our concerns in such a thoughtful and deliberate manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Ubl". The signature is fluid and cursive, with the first name "Stephen" and last name "Ubl" being the most prominent parts.

Stephen J. Ubl
President and CEO
The Advanced Medical Technology Association (AdvaMed)