

CHAIRMAN
HENRY L. NORDHOFF
Gen-Probe Incorporated
VICE CHAIRMAN
TED W. LOVE, M.D.
NUVELO

DAVID W. BEIER
Amgen

HANS BISHOP
Bayer HealthCare Pharmaceuticals

JOHN A. COTTINGHAM
Invitrogen

MICHAEL V. DRAKE, M.D.
U.C. Irvine

JOHN M. DUNN
Biogen Idec

PETER C. FARRELL, PH.D.
ResMed

DAVID D. FLEMING
Genzyme

SCOTT GARRETT
Beckman Coulter

LAWRENCE P. GUIHEEN
Baxter BioScience

ROBERT B. HANCE
Abbott Diabetes Care

WYATT R. HUME, D.D.S., PH.D.
University of California

PETER BARTON HUTT
Covington & Burling

STEPHEN G. JUELSSGAARD
Genentech

LOUIS G. LANGE, M.D., PH.D.
CV Therapeutics

TRACY T. LEFTEROFF
PricewaterhouseCoopers

ALEXIS V. LUKIANOV
NuVasive

CATHERINE J. MACKEY, PH.D.
Pfizer

JOHN C. MARTIN, PH.D.
Gilead Sciences

DANA G. MEAD JR.
Kleiner Perkins Caufield & Byers

PETER G. MILNER, M.D.
ARYx Therapeutics

MICHAEL A. MUSSALLEM
Edwards Lifesciences

GAIL K. NAUGHTON, PH.D.
California State University

CHRISTIAN W. NOLET
Ernst & Young

CHRISTOPHER J. O'CONNELL
Medtronic Diabetes

RICHARD P. PATRYLAK
Merck & Company

PHILIP A. PIZZO, M.D.
Stanford University

DAVID E.I. PYOTT
Allergan

WILLIAM E. RHODES
BD Biosciences

GEORGE A. SCANGOS, PH.D.
Exelixis

THOMAS A. WEST
LifeScan - Johnson & Johnson

PRESIDENT AND CEO
DAVID L. GOLLAHER, PH.D.



March 20, 2008

The Honorable John Laird
California State Assembly
State Capitol, Room 6026
Sacramento, CA 95814

RE: Assembly Bill 2440. Medi-Cal: reimbursement codes
CHI Position: Support

Dear Assemblyman Laird:

On behalf of the California Healthcare Institute (CHI), whose more than 250 members include our state's leading biotech, pharmaceutical, and medical technology firms, along with premier research institutes and universities, I am writing to support your measure, AB 2440, legislation that would require the State Department of Health Care Services (department) to update specified diagnostic and reimbursement codes within 60 days of their publication by the federal Centers for Medicare and Medicaid Services and the American Medical Association.

California is the worldwide headquarters for biomedical research and development. More than 2,700 biomedical companies and over 100 public and private research institutions are devoted to solving major unmet medical needs such as cardiovascular and respiratory disease, cancer, diabetes, AIDS/HIV and other infectious diseases. CHI is committed to ensuring that patients have access to these life-altering therapies. Currently the state does not reimburse providers who offer these approved products until the state reimbursement codes have been updated to harmonize with federal International Statistical Classification of Diseases (ICD-9) and Healthcare Common Procedure Coding System (HCPCS) codes.

Annually the ICD-9 and HCPCS codes are updated in the fourth quarter for the following year. The department often takes more than 6 months to update their codes, presenting a real problem for providers - and more importantly - for the often gravely ill patients they serve. Failing to reimburse providers in a timely manner causes delays for patients waiting to receive their drugs. This delay can literally mean the difference between life and death for patients who suffer from diseases such as cancer and rheumatoid arthritis.

CHI is pleased to support this important piece of legislation that will ensure providers are able to provide patients access to the medical technologies they require. Please contact Sandra Pizarro, Vice-President of State Government Affairs at (916) 233-3497 with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads 'David Gollaher'.

David L. Gollaher, Ph.D.
President & CEO

CC: Chair and Members – Assembly Health Committee
Consultant, Assembly Health Committee
Assembly Republican Caucus

WWW.CHI.ORG

HEADQUARTERS 1020 Prospect Street, Suite 310 • La Jolla, CA 92037 • 858.551.6677 • Fax 858.551.6688

SACRAMENTO 1215 K Street, Suite 970 • Sacramento, CA 95814 • 916.233.3497 Fax 916.233.3498

WASHINGTON, D.C. 1608 Rhode Island Avenue, NW • Washington, D.C. 20036 • 202.974.6313 Fax 202.974.6330