

Amgen's Position on Ethical Marketing of Erythropoiesis-Stimulating Agents (ESAs)

Rebates and Discounts

Like many other companies, Amgen provides rebates and discounts to its best customers, which lower costs to patients, physicians and Medicare. Discounting and contracting in this way is a longstanding, common practice in the pharmaceutical as well as other industries. Amgen's discounts and rebates comply fully with all applicable laws, prevailing industry practice, and governing regulations by the Centers for Medicare and Medicaid Services (CMS) and the U.S. Department of Health and Human Services Office of the Inspector General, which regulate healthcare providers who receive Medicare reimbursement.

Amgen's product discounts and rebates are fully reported to the government and are captured in the quarterly Average Selling Price (ASP) issued by CMS.

Price competition in the anemia market is fierce, driven by effective customer negotiating activity. This competition has resulted in a 34% decline in the average cost per dose of Aranesp® (darbepoetin alfa) since the drug was introduced in 2001, and has similarly reduced the costs to patients.

There is little credible evidence to suggest that rebates and discounts drive over-utilization of anti-anemia drugs in clinical practice. In fact, the data suggest otherwise:

- Of approximately 500,000 patients with non-myeloid malignancies who suffer from anemia due to the effects of concomitantly administered chemotherapy, 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.

The suggestion that physicians over-prescribe these medicines to make more money, even at the risk of patient health, is not supported by available prescribing data and undermines the trust between physicians and patients.

Under the Medicare Part B program, clinics buy drugs that are customarily administered under physician supervision from wholesalers, and then bill Medicare and insurance companies once the drug is administered. This government-designed system applies to Aranesp®, but as well to hundreds of other drugs sold by dozens of companies, all of which are reimbursed under the same "buy and bill" model. Hence concerns about physician incentives are hardly unique to Amgen or ESA products.

Direct-to-Consumer Advertising

Amgen has never done print or broadcast direct-to-consumer (DTC) advertising for Aranesp®. Our patient promotional and education materials for Aranesp® are consistent with our approved product labeling (package insert and patient package insert).

