

[By Bruce Edwards](#)

If Rep. Peter Welch has his way biotechnology giant Amgen will have to make do without a \$500 million gift awarded by Congress as part of the fiscal cliff bill that passed last month.

Welch on Wednesday introduced legislation to repeal a \$500 million benefit to Amgen that he said is the type of backroom deal that has given Congress a black eye.

"The fact that it was done at the midnight hour without scrutiny by people who were in a position to do it ... confirms the worst suspicions that Americans have that this institution is not on the level," Welch said in a telephone interview Wednesday.

He said it's especially appalling given the financial struggles that Americans continue to face on a daily basis.

The one-paragraph provision that benefits Amgen was buried in the bill by the Senate.

"My view is, if Congress is going to do things that provide a specific benefit at the expense of taxpayers for a private, for-profit corporation ... we should vote yes or no in the light of day," Welch said.

The Amgen provision, first reported Sunday in The New York Times, exempts a specific class of drugs from government controls for two years, including Sensipar, a medication used by kidney dialysis patients. The exemption will cost Medicare nearly \$500 million over two years.

The Times reported that the delay had the support of Sen. Max Baucus, D-Montana, the chairman of the Finance Committee, and Sen. Orrin Hatch, R-Utah, the ranking Republican on the committee.

Welch said Amgen had already received a two-year waiver from implementation of bundled payments to reduce costs. He said the fiscal cliff bill gave Amgen another two-year reprieve.

"That's despite the fact that a GAO study that looked into these bundled payments said the bundled payment rates were higher than they needed to be," Welch said.

Asked to comment on Welch's bill, Amgen issued a statement saying a further two-year delay was justified in the best interests of dialysis patients.

"Including oral-only medications in the payment system at the same time that the bundle is being rebased would have been disruptive to quality patient care. Further, a Government Accountability Office report recognized that it would not be in the best interest of patients to include oral-only medications into the Medicare bundle for dialysis patients because of unreliable data systems and a lack of quality metrics," Amgen spokeswoman Kelley Davenport said in an email. "A two year delay provides CMS (Centers for Medicare and Medicaid Studies) with the time needed to develop quality metrics and further develop their data systems — both things pivotal to providing quality patient care."

Welch's effort to claw back the Amgen exemption has the backing of Sens. Patrick Leahy and Bernard Sanders.

Sanders said he is prepared to introduce similar legislation in the Senate.

Sanders, an independent, said with the country saddled with a \$16 trillion national debt "there is no excuse for Amgen to be getting this ... break other than the fact they have dozens of lobbyists here in Washington and have a lot of political influence."

Sanders also said there is no justification to grant Amgen a \$500 million congressional gift when at the same time there are calls to raise Medicare's eligibility age.

Leahy spokesman David Carle said in a statement that Leahy would also like to see the Amgen provision repealed.

"It was unfortunate enough that Congress was forced to act in the waning hours of (the) year to avert the fiscal cliff, but sweetening the pot for multimillion dollar drug companies along the way is not the way secure savings for the American people," Carle said in an email.

Carle said Leahy is particularly concerned about the impact the exemption would have on Medicare recipients and that the federal government should use its buying power to negotiate for lower drug prices and not subsidize artificially high prices at taxpayer and insurers' expense.

Welch's bill is co-sponsored by Reps. Richard Hanna, R-N.Y., Jim Cooper, D-Tenn., and Bruce Braley, D-Iowa.

Based in Thousand Oaks, Calif., Amgen reported 2012 net income of \$5.1 billion on revenues of \$17.3 billion. The company has 17,000 employees.