



July 10, 2008

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Richard T. Clark, Chairman, President and Chief Executive Officer
Merck & Co., Inc.
P.O. Box 1150
Whitehouse Station, NJ 08889

Dear Mr. Clark:

The Los Angeles County Department of Health Services (LAC-DHS) provides the majority of all uncompensated medical care in the Los Angeles County area, with an estimate of over 2 million patients that are uninsured. Our latest estimates demonstrate that 39% of patients live below 200% of the Federal Poverty level. LAC-DHS incurs over 86,000 hospital admissions, 300,000 emergency room visits and 2.8 million ambulatory visits on an annual basis. We operate four teaching hospitals and multiple ambulatory care centers. Over 70% of the patients we treat are uninsured, providing significant funding challenges. We are the safety net system for a very vulnerable population.

We understand that Merck supports increasing access to vaccines, both in the United States and in developing countries. In addition, we are aware of the recently launched Gardasil® Access Program, which has the goal of supporting vaccination programs in lowest income nations. Merck's focus in increasing access to vaccines led our healthcare system to the "Merck Vaccine Patient Assistance Program", which states "Because very limited public funding is available in the United States to provide vaccines to uninsured adults, Merck has created the Merck Vaccine Patient Assistance program. This private and confidential program provides vaccines to eligible adults, primarily the uninsured, who, without our assistance, could not afford needed Merck vaccines." Below this information, on the Merck website, is a quote from Dr. Orenstein, citing the fact that "removing financial barriers to access to life-saving vaccines for poorer adults is important. This program is a bold step to try to assure that lower-income adults can receive the benefits vaccines have to offer."

LAC-DHS is facing a severe budget deficit, and as such, is pursuing all avenues that lead to the ability to continue to provide care in light of an estimated \$195 million shortfall. Our physicians have requested that Gardasil®, Merck's HPV vaccine, be available in patients 19-26 years of age, in order to prevent cervical cancer in this population. Given the fact that LAC-DHS provides care to a patient population that is over 70% uninsured, and is facing a large budget deficit, we are considering the use of Gardasil® in this patient population only if the costs can be offset. Accordingly, we contacted the Merck Vaccine Patient Assistance Program, to inquire on the enrollment procedure. We were informed that since LAC-DHS is a county-owned organization, we were not eligible for the Merck Vaccine Patient Assistance Program. Your representatives then directed us to the Merck

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Gardasil® Dose Replacement program, only to be informed of the same conclusion; our ineligibility due to the fact that LAC-DHS hospitals and clinics are county-owned. We were informed, however, that patients that are treated in a physician's office or private facility would be eligible for this program.

LAC-DHS has been a longtime customer of Merck products; our annual pharmaceutical sales exceed \$9 million. LAC-DHS procures many of Merck's products in the treatment and prevention of disease for our patients. In addition, two of our hospitals participate in the Merck Pharmaceutical Patient Assistance Program (PAP). We are currently working with Marilyn Mainardi of the Merck PAP to determine if Merck will consider extending this program to the additional hospitals within our health system.

In this vein, we are hoping that LAC-DHS and Merck can build on their past relationship and find a way to provide this important vaccine. We are requesting that Merck & Co. reconsider current policies that prevent our vulnerable LAC-DHS uninsured adult patient population (19-26 years old) from obtaining a Merck patient assistance program for Gardasil® vaccine, particularly when it is well recognized that most of our population is treated in our county system, due to lack of insurance. We believe that the inability of accessing the Merck Vaccine Patient Assistance Program, merely because a patient is treated in our county hospital or clinic, where she is seen without regard to ability to pay, is not logical, nor is it consistent with the stated objectives of your company's program, particularly when the stated intent is to "provide vaccines free of charge to eligible adults, primarily the uninsured who, without our assistance, could not afford needed Merck vaccines." (<http://www.merck.com/merckhelps/vaccines/home.html>). We would hope the fact that a patient treated in a county clinic would not prejudice her ability to apply for this program.

Merck & Co's extension of the Vaccine Patient Assistance Program to our county system will allow indigent adult patients (19-26 years old) treated within the Los Angeles County-run hospitals and clinics to receive vaccines that may result in the prevention of cervical cancer. We appeal to you and the Board of Directors to consider this request, and request that Merck & Co. extend this vital program to LAC-DHS vulnerable patients.

Sincerely,



Robert G. Splawn, M.D.
Interim Chief Medical Officer



Amy Gutierrez, Pharm.D.
System Pharmacy Director

RS:AG:srj

c: Jean Kelly, Program Director, Merck Vaccine Patient Assistance Program