

March 8, 2022

Senator Patricia Miller, Chair
Aging Committee
State Capitol Building, Room 011
Hartford, CT 06106

Representative Jane Garibay, Chair
Aging Committee
State Capitol Building, Room 011
Hartford, CT 06106

RE: BioCT Statement in Opposition to Senate Bill 260

Dear Chair Miller, Chair Garibay, and Committee Members:

BioCT respectfully **opposes SB 260**, creation of a Prescription Drug Affordability Board tasked with reviewing prescription drug costs and setting upper payment limits for specified prescription drugs. BioCT represents over 250 Connecticut life sciences companies, academic institutions, service providers and patient organizations, many directly engaged in the research, development and manufacturing of innovative products to improve patients' lives and public health as well as driving economic growth. The life science industry is growing in Connecticut with high paying jobs that help grow the economy. Most of our companies are small-medium size biotech companies that rely on investments to continue their work. We should not enact legislation that could threaten the positive economic effect that the biopharmaceutical industry has had on Connecticut.

I have worked in the healthcare industry, I have a B.S. in biology and chemistry background, I have worked in labs and I am a patient with stage III Melanoma (currently in remission) and I am a member of AARP (who supports this bill). My disclosure is to emphasize the fact that there are real people/patients that will be affected by what you are trying to do. Here are some of the concerns:

- There is no evidence that a prescription drug affordability board will lower drug pricing costs for patients. The only way to save drug costs for patients is to create a board to explore the complicated drug pricing process. Follow the money from manufacturer to Pharmacy Benefit Managers (PBM's), to insurance companies, to pharmacies, to hospitals. Setting arbitrary upper limits to manufacturers will NOT trickle down to the patients. All of the entities mentioned will continue to find ways to take their cut and maintain their profitability while only the manufacture bears the burden of the cost of making drugs.
- The pipeline of drug creation typically starts with the commercialization of a university scientists' idea/intellectual property. The commercialization will not occur without financial investment from venture capital firms, angel investors, pharmaceutical investments, funds like Connecticut

Innovations. It takes billions of dollars of investments to bring a drug to market and 90% of drugs fail during clinical trials. All of those investors expect to make a return on their investment and understand the risk. If there is no return, then they will happily invest in other industries.

- As a patient I am hoping that I stay in remission long enough for a drug/therapy with minimal side effects make it through the arduous and expensive clinical trial process that could save my life and/or improve the quality of life. If investments slow down, then there is much less chance of critical drugs making it to market.
- Billions of dollars go into making a drug and we must find a way to control patients' costs however singling out the manufacturer will not give you the desired results for patients. Manufacturers must make enough profit to cover their costs, recoup return on investments, cover the losses of drugs that failed and be able to reinvest in future therapeutic medicines.

Of course, it is great to say that Connecticut is trying to lower prescription drug costs. It sounds good on a podium or news article, however when patients notice that their out of pocket costs don't change and they have less access to new therapies how will you address this?

Are you willing to risk disrupting innovation while NOT actually lowering patient out of pocket costs?

This country has a "sick care" system. Health care costs are out of control and singling out only one aspect of the overall industry is not going to benefit patients. If you want to truly lower patient out of pocket costs then Connecticut should enact policies that make sure manufacture rebates are shared directly with patients. If you are going to attempt to penalize the manufacture with arbitrary price caps, then you must also create programs that cap the profits of PBM's and insurance companies and/or have them contribute to the cost of creating a drug. Connecticut could be on the cutting edge of creating a real "healthcare" system by investigating how patient out of pocket costs are created and changing the system.

For these reasons, we oppose SB 260 and respectfully request an unfavorable committee report. If you have any questions, please do not hesitate to contact me to discuss this further.

Sincerely,



Dawn Hocevar

President & CEO

BioCT

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