Oregon Bioscience Association

March16, 2015

Oregon House Committee on Health Care
c/o Representative Mitch Greenlick, Chair
900 Court St NE
Salem, OR 97301

Re: Opposition to HB3486

The Oregon Bioscience Association (Oregon Bio) believes that proposed House Bill 3486 will place an unfair administrative reporting burden on companies creating life-saving drugs for critically ill patients in Oregon.This proposed legislation would force therapeutic drug companies to incur needless reporting costs, disclose proprietary information (potentially including trade secrets), and erect even more administrativehurdles for the emerging biotechnology cluster in Oregon.

The U.S. prescription drug industry is already one of the most regulated industries in the world. Despite these existing challenges, the industry has consistently delivered ever more effective drugs, while keeping costs remarkably stable. In fact, prescription drugs have remained at a steady rate of 10% of healthcare costs since 1960,despite the incredible scientific advances and the introduction of many life-saving new drugs over that period. This coincides with recent predictions from the Centers for Medicare and Medicaid Services (CMS) that growth rate for spending on prescription drugs will likely decline from 6.3% to 5.9% through 2022.

Though innovation cycles can lead to temporary increases in costs as innovative solutions make their way onto the market, competitive forces normalize these prices over time. Cardiovascular disease has gone through several phases of dramatic innovation when the more expensive treatments were introduced. Though initially more expensive than alternative treatments of the time, market forces forced a reduction in the cost of existing drugs, while spurring innovation leading to much better health outcomes. Today, it is estimated that $1 spent on treating cardiovascular disease returns $7 worth of gain.

Oregon Bio believes pharmaceuticals should be judged based on the medical efficacy and the long-term cost savings generated from significantly improved patient outcomes. As written, HB 3486 unfairly focuses only on the costs associated with a single drug for a limited span of time. In reality, pharmaceutical companies often maintain a portfolio of research and development initiatives. As a result, HB 3486 not only fails to provide a realistic estimate of the total costs associated with delivering innovative drugs to Oregon patients, it also diverts scarce industry resources to conform to this new tier of state regulation.

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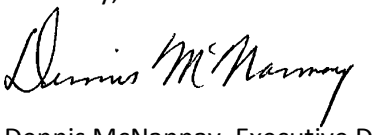
As the collective voice for the bioscience industry, Oregon Bio asks you to opposeHouseBill3486 and the unnecessary administrative burdens it will create for companies trying to deploy the most innovative and effective medications. The passage of this bill would also send a mixed message to biotechnology companies, healthcare investors and researchers (e.g. the Knight Cancer Institute) developing the future cures for diseases like cancer; simultaneously, this bill adversely affects the economic viability of these Oregon-based companies as they seek to find treatments and cures for catastrophic diseases affecting the lives of Oregon's citizens.

Thank you for your work on this issue.

Sincerely,



Dennis McNannay, Executive Director