MolecularMD

February 16, 2017

The Honorable Richard Devlin
900 Court St. NE, S-213
Salem, Oregon 97301

The Honorable Ann Lininger
900 Court St. NE, H-485
Salem, Oregon 97301

Dear Senator Devlin and Representative Lininger:

MolecularMD is a Portland-based (Senate District 19; House District 38) biotechnology firm that provides innovative and reliable molecular diagnostic solutions that improve and advance personalized medicine for cancer patients. We encourage you to oppose HB 2387 as it will severely impact the innovative medical research being done here in Oregon.

Our founders Dr. Brian Druker (Director of the OHSU Knight Cancer Institute) and Sheridan Snyder (entrepreneur, founder of Genzyme and Upstate Biotechnology) had one vision: To improve patient care by providing precise, standardized molecular testing for new oncology drugs.

We have been able to turn that vision into reality becoming a preferred provider of molecular diagnostics products and services to pharmaceutical and biotech drug developers. These services and products are used to select, monitor and manage response for patients treated with molecularly-targeted cancer therapies in alignment with clinical development and regulatory approval strategies. We are dedicated to delivering diagnostic solutions that support the approval and clinical adoption of oncology medicines.

Drug approval is a complex and rigorous process requiring vast amounts of time, effort and resources. When accounting for failures, developing a new drug can take 10-15 years and cost more than $1 billion.[1] The requirements envisioned by HB 2387, however, would result in burdensome new administrative costs, often mandating data that doesn't even exist. Small biotech companies would be forced to divert resources to reporting and compliance that might otherwise be spent on developing new treatments. Developments will be delayed or, even worse, never realized.

[1] DiMasi, J., H. G. Grabowski, and R. W. Hansen. 2016. Innovation in the pharmaceutical industry: New estimates of R&D costs. *Journal of Health Economics* 47:20-33.

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Were the onerous and arbitrary requirements of HB 2387 in place when we were founded, I do not know if we would have been able to grow into the industry leader we are today. Should HB 2387 pass, we are very concerned about our future and the future of other small Oregon life science innovators that truly are on the front lines of disease research.

By reducing drug costs to individual data points, HB 2387 fails to recognize or provide context for the complex issue of prescription drug costs, which are based not simply on manufacturers' costs but on market forces, broader assessments of value, and negotiations between manufacturers and payers with which HB 2387 could interfere.

We all agree that high healthcare costs need to be addressed, but this type of legislation, which is not patient-centered and stands to impede scientific and medical innovation, is simply not the answer. I ask you to protect the development of lifesaving cures by rejecting this misguided legislation.

Sincerely,

Ryan Dunlap
Senior Vice President and Chief Financial Officer

cc: The Honorable Peter Courtney
The Honorable Tina Kotek
The Honorable Ginny Burdick
The Honorable Jennifer Williamson
Senate Committee on Health Care Members
House Committee on Health Care Members

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