

November 4, 2019

The Honorable Chuck Grassley
Chairman, Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden,

Collectively, our organizations represent many of the most innovative companies in the biopharmaceutical sector. These are science-first, patients-first companies, that are working every day to translate basic science into real medicines that can help real patients battling serious and debilitating diseases. We are proud to have made significant strides against some of these diseases, including certain forms of cancer, over the past two decades. However, progress in other areas has been difficult to attain, such as with Parkinson's, Alzheimer's and ALS, and continued investment in these diseases is the only path to a potential cure. For the large majority of the companies we represent, they pursue this quest for a cure for years without ever making a profit.

For small, innovative companies like those we represent, the Part D redesign policy passed by the Senate Finance committee in July represents a highly concerning shift in liability to those companies investing in the medical areas of highest unmet need. Specifically, the 20% manufacturer liability in the catastrophic phase of the restructured benefit could have a chilling effect on the innovation of specialty medicines and runs contrary to the many actions that Congress has taken to incentivize the development of breakthrough therapies. In short, patients still waiting for therapies and cures may find themselves unnecessarily waiting far longer, if not indefinitely.

We understand the importance of reform to support patient access to medicines and properly align incentives to value in the Part D program. We want to partner actively with you to explore solutions on Part D reform that balance the needs of patients, the federal government, and innovative companies. This should include a responsibility to equitably bear the burden of solving affordability challenges for Medicare patients while continuing to fuel the cycle of innovation which has flourished since Part D was enacted.

Sincerely,

Arizona: Arizona Bioindustry Association Inc. (AZBio)
Alabama: BIO Alabama
California: California Life Sciences Association (CLSA)
BIOCOM

SoCalBio

Colorado:	Colorado BioScience Association
Connecticut:	BioCT
Delaware:	Delaware Bioscience Association (Delaware BIO)
Georgia:	Georgia BIO
Iowa:	Iowa Biotechnology Innovation Organization (IowaBio)
Idaho:	Idaho Technology Council
Illinois:	Illinois Biotechnology Innovation Organization (iBIO)
Indiana:	Indiana Health Industry Forum (IHIF)
Kansas:	BioKansas
Kentucky:	Kentucky Life Sciences Council
Louisiana:	Louisiana BIO
Massachusetts:	MassBio
Maryland:	Maryland Technology Council
Michigan:	Michigan Biosciences Industry Association (MichBio)
Missouri:	Missouri Biotechnology Association (MOBIO)
Montana:	Montana Bioscience Association
North Carolina:	North Carolina Biosciences Organization (NCBIO)
New Jersey:	BioNJ
New Mexico:	NMBio
New York:	New York BIO
Ohio:	BioOhio
Oregon:	Oregon Bioscience Association (Oregon BIO)
Pennsylvania:	Life Sciences Pennsylvania (LSPA)
Rhode Island:	RI Bio
South Dakota:	South Dakota Biotech
Texas:	Texas Healthcare and Biosciences Institute (THBI)
Utah:	BioUtah

Virginia: Virginia Bio
West Virginia: Bioscience Association of West Virginia
Wisconsin: BioForward Wisconsin