



March 8, 2017

The Honorable Laurie Monnes Anderson  
Chair, Senate Health Care Committee  
State Capitol  
900 Court St NE  
Salem, OR 97301

Dear Senator Monnes Anderson:

The Biotechnology Innovation Organization (BIO) respectfully opposes SB 792, which would require prescription drug manufacturers to disclose the price of their products in all advertisements. BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. Our members are committed to advancing science and improving the health and well-being of our planet through the use of biotechnology.

We acknowledge the concerns regarding direct to consumer advertising that have led to this bill's introduction. While our members are happy to have a discussion with the Legislature about this topic, we do have concerns with SB 792. The marketing of prescription drugs is regulated at the federal level by the Food and Drug Administration (FDA) and is a topic that must be cautiously approached. The FDA regulates marketing content with careful consideration of the information given to providers and consumers. State-level regulation of prescription drug marketing could lead to confusion and we believe infringes on our members' free speech rights.

Additionally, prescription drug pricing is extremely complicated and not easily incorporated into advertising in a meaningful way. This bill would require reporting of the price paid by pharmacies. However, manufacturers do not set this price. Manufacturers sell products to wholesalers, who in turn sell and distribute inventory to pharmacies, with a mark-up. There are numerous wholesalers that distribute prescription drugs to pharmacies, each with the ability to set their own price. The price that a single wholesaler sells a drug for can also vary between individual pharmacies. Pharmacies are reimbursed for drugs they dispense by health plans, who ultimately receive discounts and rebates off the original list price. The requirements of this bill would present consumers with a false sense of a drug's true cost.

For these reasons, we respectfully urge your no vote on SB 792. If you have any questions, please do not hesitate to contact me at [bwarren@bio.org](mailto:bwarren@bio.org) or (916) 606-8016.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Warren", is written over a light blue horizontal line.

Brian Warren  
Director, State Government Affairs, Western Region

cc: Members, Senate Health Care Committee