

Feb. 7, 2018

Honorable Mitch Greenlick, Chair of House Health Care Committee
Representative Cedric Hayden, Vice Chair
Representative Rob Nosse, Vice Chair
Representative Teresa Alonso Leon
Representative Knute Buehler
Representative Bill Kennemer
Representative Alissa Keny-Guyer
Representative Sheri Malstrom
Representative Andrea Salinas
Representative A. Richard Vial

Dear Chair Greenlick and House Health Care Committee Members:

In recognition of Chair Greenlick's request at the House Health Care Committee meeting on Monday, Feb. 5, I curtailed my longer testimony in the interest of time. At this time, the Oregon Bioscience Association would like to submit our comments for your consideration regarding our concerns about House Bill 4005.

The Oregon Bioscience Association and many of our member companies oppose this legislation.

Every day, I work with many of the 800-plus entities including manufacturers, laboratories, digital health firms and startups that are part of the \$10 BILLION-dollar ecosystem in Oregon. These innovative companies produce life-saving medicines, diagnostic assays and equipment, agricultural and digital technologies, that make both the state of Oregon and the people that live here healthy, strong, and vital.

Throughout the last year, Oregon Bio trained and developed a concentration of highly skilled workers to keep their technology expertise local, and to ensure our existing companies stay competitive in the global marketplace. These workers receive wages above their counterparts that help fuel tax revenue for the state. That's why we call it an ecosystem.

Our ecosystem, especially in the past three years, has caught the eye of major investors around the country and world. For example, the Bay Area's VIR Biotechnology who, with its \$150 million-dollar portfolio, acquired a successful vaccine producer here in Portland and is keeping the company local.

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Oregon's bioscience sector is flourishing, but with punitive and political arrows aimed at the industry, such as House Bill 4005 which unfairly singles out pharmaceutical manufacturers, our ecosystem becomes endangered and sends signals to potential investors that capital is better deployed to other industries or even other states.

Specifically, HB 4005 imposes bureaucratic-type reporting and compliance requirements for innovative companies in Oregon. The bill fails to recognize the value of new therapies, and instead focuses solely (and arbitrarily) on the cost of drugs, with an incorrect perspective on the cost of research, development and clinical trials.

Also, incorrectly, this legislation singles out one sliver of the health care sector, with no real consideration of the complex cost equation at hand. As you may know, the cost of health care services and products that consumers pay are set by entities such as Pharmacy Benefit Managers and health plan actuaries that receive rebates from pharmaceutical companies.

HB 4005 is particularly burdensome for small companies as it imposes costly reporting requirements, audits, and disclosures. As written, these requirements may be difficult, if not impossible to comply with - particularly for companies that are yet to realize a profit. Money and time devoted meeting arbitrary compliance requirements is time and money diverted away from research and innovation.

Oregon Bio is committed to a constructive dialogue that encourages investment in Oregon's biotech sector and provides real benefits to consumers and patients. HB 4005 does not achieve either of those goals.

Sincerely,



Denise McCarty, Executive Director

cc: Oliver Droppers, LPRO Analyst
Caitlin McRae, Committee Assistant (hhc.exhibits@oregonlegislature.gov)

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