Chairman Conaway, Members of the Committee, thank you for the opportunity to testify today. My name is John Slotman, and I represent BioNJ, New Jersey’s largest trade association representing the full spectrum of our State’s research-based life sciences industry.

Mr. Chairman, I will be brief. We have great concerns with the potential impact a Prescription Drug Review Commission might have on the life sciences sector in our state.

Our industry is 376,000-employees strong in our State, generates $33 billion annually in wages and benefits, $69 billion in federal and $850 million in state taxes and nearly $105 billion in economic output in New Jersey. Most importantly, New Jersey’s life sciences industry is leading the way in cures and therapies, ensuring patients have access to the right treatment at the right time. New Jersey is a hotbed in the development of several recent groundbreaking therapies. In fact, 50 percent of all new novel drugs approved by the FDA in 2017 were developed by companies with a New Jersey footprint. In 2018 – a landmark year for drug approvals – 20 of the 59 approvals had roots in New Jersey.

We have several concerns with the legislation before you today. First and foremost: the Patient. Allowing Patients to live longer, healthier, more productive lives – that’s the mission of our state’s life sciences ecosystem. New and novel treatments for cancer, rare diseases, and other disease states keep Patients from expensive institutional care, alleviating burden on both the Patient and their caregiver. But unfortunately, we do not believe our State’s Patients will continue to have the same access to these lifesaving treatments should this proposed Commission come to fruition.

There are several reasons for this. First, recent studies have shown that as many as 114 fewer new medicines would have come to market had European-style prices been in effect over the last 30 years. Further studies have shown that a 50 percent drop in prices could result in a 14-24 percent drop in innovative products in the pipeline, thereby reducing the number of new treatments reaching the Patients who need them. 92 percent of all new medicines are launched in the United States, including 95 percent of the 74 cancer drugs brought to the market between 2011 and 2018. Only 74 percent of these new cancer treatments are available in the UK, 49 percent in Japan, and eight percent in Greece. Patients in our State have better access to the best and most appropriate treatment.
Second, we are concerned with the legislation’s potential impact on our State’s biotech community. The average life sciences company spends significant, up-front capital on labor intensive research and clinical trials. We fear the innovation pipeline will run dry for startup and high-growth life sciences companies should arbitrary price controls be placed on their products. These emerging companies are in many instances focusing their efforts on unmet needs in cystic fibrosis, as an example, or other rare diseases without an FDA-approved therapy.

Mr. Chairman, we stand committed to work with you, the bill sponsor, and the Committee to address the most important part of this equation: the amount the consumer pays at the pharmacy counter as well as ensuring that Patients have access to the right medicines at the right time.

We would be pleased to work with the bill's sponsors to develop win-win strategies that ensure that innovation will continue, New Jersey's economy will thrive and, most importantly, that Patients will live to see a better day.

Thank you again for your time.

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