



## **Testimony on Senate Bill 107, Drug Production Costs Transparency Analysis Report**

**Senate Health & Human Services Committee  
February 6, 2020**

Thank you, Madam Chair and Members of the Committee. My name is Emily Roberts, I am Vice President at the Colorado BioScience Association.

The Colorado BioScience Association represents over 720 life sciences companies and organizations across the state and tens of thousands of researchers and entrepreneurs. From concept to commercialization, our members work every day to drive global health innovations that reduce health care costs and improve patient outcomes.

I am here in respectful opposition to Senate Bill 107. Not only will this bill likely lead to an inaccurate and misleading picture of what goes into the development of new treatments, but it does nothing to improve affordability for patients or provide patients with meaningful information about what they will pay when they pick up a medicine.

First, researching and developing new treatments is extremely risky and resource intensive. The costs to conduct clinical studies and secure regulatory approval are very high, but what really drives up the costs of R&D is the fact that 90% of medicines that enter clinical trials will not make it to market. In any conversation about the cost of drug development, we have to include the cost of those failures, and the cost of not putting that investment into something that would give a more reliable return.

Second, science is not linear. It doesn't allow you to single out the R&D process for one drug candidate. Asking companies to determine and report the costs associated with R&D for one drug product would be inaccurate, at best, and create a misleading picture of what goes into drug development. The work conducted on one molecule for one indication might fail, but that research could ultimately lead to a new discovery within another therapeutic area down the road.

This bill also fails to account for how new, innovative treatments are helping patients lead longer, healthier lives and ultimately lowering costs for the system. Yes, financing new drugs can be expensive but new, innovative and effective treatments being developed by the life science industry are transforming the way we treat disease and eliminating the costliest hospital and physician services in the long run. Let's take cancer as an example.

- Cancer death rates have decreased 22% since 1991.
- And 80% of the life expectancy increases for cancer patients are attributed to new treatments.
- 80% of the 5,000 cancer therapies being developed are potentially first-in-class, meaning they represent entirely new approaches to treating cancer.
- Reducing cancer death rates by 10% would save current and future generations approximately \$4.4 trillion dollars.

Asking companies to report certain costs, while failing to account for the value and the benefits of these medicines to patients and to society as a whole is painting an inaccurate view of the cost of medicine.

Lastly, this bill does nothing to improve affordability for patients. The information the bill asks companies to report has nothing to do with what a patient might pay for their medicine. In fact, drugs captured in the lists outlined in the bill might very well be the most affordable option for a patient whose insurance plan puts that medication on the lowest cost-sharing tier.

Instead of focusing legislative efforts on select costs that are not meaningful to patients, we encourage the bill sponsors and this body to look at policies that would help to reduce out-of-pocket costs for patients. Specifically, sharing rebates and discounts with patients at the pharmacy counter could significantly lower out-of-pocket costs, particularly for patients with chronic diseases, and in doing so, increase adherence and improve patient outcomes.

In closing, I would just reiterate that this bill will not accurately capture the costs of drug development and will do nothing to improve patient access or affordability. I respectfully urge the committee to vote no on Senate bill 107.