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Prescription Drug Price Transparency & Cost Disclosure Legislation

Recently, bills have been introduced in various states that would require biotechnology companies and in some cases their research partners to track and disclose costs associated with the research, development and manufacturing of innovative drugs and therapies. Additionally, legislation often requires biotechnology companies to report drug pricing information that is divorced from the actual costs accrued throughout the prescription drug supply chain.

Life Science Washington Position:

We oppose non-comprehensive price transparency or price disclosure legislation that would burden local companies, hurt investment, and not provide transparency to the entire prescription drug supply chain or address patients' out-of-pocket costs concerns.

Since most of Washington's biotech companies are pre-commercial companies that have yet to price their therapies, Life Science Washington's policy agenda is primarily focused on growing the life science ecosystem in Washington.

However, since it can often take over a decade and more than \$1 billion dollars of investment capital to bring a new drug or therapy to market, biotechnology companies of all sizes depend on a stable policy environment to attract the large sums of private investment capital required to fund years of research and clinical trials before they are profitable or in a position to price a drug or therapy.

Our state policy environment has deteriorated in recent years with the elimination of the R&D tax credit, the Life Science Discovery Fund, the Biotechnology & Medical Device Manufacturing Tax Credit, and the Global Health Fund. As a result, companies are questioning the state's commitment to the industry.

Recently, the Out-Of-Pocket Task Force (SSB 6569) evaluated strategies for addressing patients' concerns related to drug prices. While transparency was highlighted as a problem at various points in the system, additional reporting by biotechnology companies was not identified as a priority for helping patients. Likewise, the State Health Care Authority found that the prescription drug supply chain lacks transparency at many levels throughout the system.

So, given a lack of evidence that such narrow transparency legislation will address patients' concerns, we are troubled that legislation that singles out the biotechnology industry without addressing the entire prescription drug supply chain will further erode the business climate for biotechnology companies in Washington. This type of legislation places additional and unnecessary administrative burdens on companies and undermines local companies' ability to raise capital and expand in Washington, without addressing patients' primary out-of-pocket costs concerns.

Life Science Washington's (LSW) policy agenda is primarily focused on promoting the growth of the life science industry in Washington. LSW works closely with the Biotechnology Innovation Organization (BIO) on national issues and issues that disproportionately impact more mature national and global biotechnology companies. This session, BIO will take the lead on legislative efforts regarding drug pricing transparency and cost disclosure requirements.

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