



PATEL FAMILY INVESTMENTS, LLC



CROCKER  
VENTURES

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To Members of the Utah Delegation:

On behalf of the undersigned organizations and the many constituents we represent, thank you for your continued opposition to policies that would impose drug price controls on the biopharmaceutical and biotechnology industry, with serious implications for bringing new life-changing medicines to market. We appreciate your ongoing efforts to stand up for patients and innovation.

As you know, partisan drug pricing provisions included in the “Inflation Reduction Act” would allow Medicare to negotiate prescription drug prices similar to what was included in the “Build Back Better” bill that passed the House last year. In addition, the bill would impose inflation rebates and an excise tax of 95% on the sale of any drug that a manufacturer refuses to submit for Medicare price negotiations. This can hardly be characterized as a “negotiation”. It is effectively price-setting by government.

Such government-driven price controls would have a chilling effect on research and development (R&D) and investment in pioneering drug startups. A recent study by [“Vital Transformation”](#) shows that under these pricing policies, only 6 of 110 currently approved therapies would have made it to the market because companies would no longer have the necessary funds to spend on R&D and critical partnerships with small biotechnology. Ultimately, producing fewer medicines is not a viable solution for improving healthcare or reducing drug costs. With fewer new drugs on the horizon, patients, especially those with serious and rare diseases, would not have access to breakthrough treatments.

Utah’s robust and growing drug research, discovery and manufacturing sector would certainly feel the repercussions. Utah is one of only 11 states with a specialized concentration of jobs in the drugs and pharmaceuticals industry.<sup>1</sup> Salt Lake City is ranked one of the top 25 cities in the country with the largest employment levels in drugs and pharmaceuticals.<sup>2</sup> This is an important industry for Utah, generating high-paying jobs and products that improve and save lives. Examples of the state’s leadership in this area include the following:

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<sup>1</sup> TEconomy/BIO [“The Bioscience Economy: Propelling Life-Saving Treatments, Supporting State & Local Communities”](#), TEconomy Partners LLC, 2020, page 40.

<sup>2</sup> Ibid.

- The University of Utah, in 2020, launched a [Therapeutics Accelerator Hub \(U2TAH\)](#) to speed the translation of laboratory research into new drugs for patients.
- TEVA Pharmaceuticals, the world's largest generic drug manufacturer, operates two large manufacturing facilities in the state, employing thousands.
- Recursion, Clene and Tolero Pharmaceuticals have grown from startups in the last decade to nationally recognized drug development companies. Recursion and Clene went public last year and Tolero (now SMP Oncology) was acquired by Sumitomo Pharma Oncology in 2017 and continues operations in cancer drug development in Lehi, Utah.
- Innovative early-stage drug companies rooted in Utah include, Alucent BioMedical, Bastion Biologics, Cūrza, Denali Therapeutics, Halia Therapeutics, Innovative Vaccine Technologies, PEEL Therapeutics, SignPath Pharma and Thunder Biotech, to name a few.
- A major European drug developer is expected to place their first U.S. operations in Salt Lake City. That announcement is expected in the next few months.

These companies are innovating new medicines to fight cancers, ALS, Alzheimer's, Parkinson's, Superbugs and more.

Our goal must be to provide Utahns with the best, most innovative healthcare options available and to look to solutions that will truly lower out-of-pocket costs. The drug pricing provisions of the "Inflation Reduction Act" may reduce Medicare spending, but they do not provide any measurable benefit to patients. We strongly urge you to continue to protect the millions of Americans that rely on medical advances by opposing this legislation.

Thank you for your consideration.

Sincerely,

BioUtah  
 Centro Civico Mexicano  
 Crocker Ventures/Merrimack Pharmaceuticals  
 Mental Healthy Utah  
 Northern Utah Coalition  
 Patel Family Investments  
 Salt Lake Chamber  
 South Valley Chamber  
 SURVIVEIT  
 Utah Hemophilia Foundation