



January 25, 2021

The Honorable Shane Pendergrass  
Chairman, House Health and Government Operation Committee  
House Office Building, Room 241  
6 Bladen St., Annapolis, MD 21401

Re: Oppose House Bill 162

Dear Chairman Pendergrass and Members of the Committee:

BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products. The Biotechnology Innovation Organization (BIO) would like to express our **opposition** to House Bill 162, which threatens to restrict patient access to innovative biopharmaceutical products.

The Biotechnology Innovation Organization (BIO) raises significant concerns with Maryland House Bill 162, a bill requiring the Prescription Drug Affordability Board to set prices for prescription drugs. This legislative proposal fails to provide any benefit to patients and instead disincentivizes biopharmaceutical companies from developing new more effective therapies.

HB 162 requires the Prescription Drug Affordability Board to set upper payment limits rather than allow the Board to do so in the case of an affordability challenge. This government-imposed price control can disincentivize innovation. Independent reports consistently show that drug prices are not driving overall health spending, as "real net per capita spending [on prescription drugs] per year grew by only \$44 since 2009." And this is during a time in which hundreds of innovative medicines that fight and cure disease have been brought to market.<sup>1</sup> Prescription drug price controls are shortsighted, sacrificing long-term gains from future innovation for perceived short-term budget benefits. HB 162 risks doing long-term damage to the innovation ecosystem on which thousands of patients rely.

For these reasons, BIO **opposes** HB 162 and urges the Maryland Assembly to not move forward with this legislation. On behalf of BIO and our member companies, thank you Chairman Pendergrass and members of the Health and Government Operations Committee for allowing us an opportunity to express our concerns with this legislation.

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<sup>1</sup> [https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/medicine-use-and-spending-in-the-us---a-review-of-2018-outlook-to-2023.pdf?\\_=1601497490379](https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/medicine-use-and-spending-in-the-us---a-review-of-2018-outlook-to-2023.pdf?_=1601497490379)



Respectfully Submitted,

Ben Chandhok  
Eastern Region, State Government Affairs Director  
Biotechnology Innovation Organization (BIO)  
1201 Maryland Ave., SW  
Washington, DC 20024