

May 3, 2019

The Honorable Ron DeSantis  
State of Florida  
The Capitol  
400 S. Monroe Street  
Tallahassee, Florida 32399

Dear Governor DeSantis:

Congratulations on the recent milestone of serving your first 100 days as governor. I look forward to working alongside you to ensure Floridians have access to affordable medicines and hope you will not hesitate to call upon me if I can ever be of assistance.

I am writing today to share my concerns about HB 19, legislation to establish a state-run importation program. When this bill is officially sent to your desk, I encourage you to consider vetoing it. While your goal of lowering the costs of prescription medicines for Floridians is one I share, the biopharmaceutical industry has serious concerns with any proposal that could put patient safety at risk.

As you know, the supply chain for medicines in the United States is one of the safest in the world thanks to the tireless work of the U.S. Food and Drug Administration (FDA). Five former FDA commissioners - including President Donald Trump's former FDA Commissioner Scott Gottlieb - have spoken out against importation because the safety of any medicine that enters the United States outside FDA-sanctioned channels cannot be verified. Further, no Secretary of the U.S. Department of Health and Human Services (HHS), Republican or Democrat, has ever certified a federal importation program, and President Trump's HHS Secretary Alex Azar had this to say about importation in June 2017: "This thing about importing drugs from Canada is a canard. These drugs are not American produced drugs sitting in a Canadian retail pharmacy. They are often drugs coming from China, India or elsewhere. The administration and public health officials have repeatedly found these are not safe. There can be no guarantee of safety there. The U.S. distribution system is a crown jewel. Let's not mess that up."

In addition to the concerns raised by past and present members of the Trump administration, numerous law enforcement officials and patient advocates have sounded the alarm on importation. While it's clear this is the wrong way to address affordability challenges Floridians are facing, there are reforms the biopharmaceutical industry supports that would lower costs for patients at the pharmacy counter.

First, we believe that patients should benefit from the more than \$166 billion in rebates and discounts provided to insurance companies, pharmacy benefit managers, the government and other entities in the supply chain in 2018. On average, 40 percent of the list price of medicines

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are given as rebates, but too often, patients never reap the benefits of these discounts. Ensuring they do is one step you can take to provide relief to the Floridians struggling to afford their medicines. In fact, President Trump has proposed sharing rebates at the pharmacy counter with seniors who are enrolled in Medicare Part D. Finalizing this proposal would provide immediate help to Florida seniors who are struggling to afford their medicines.

Second, we support delinking supply chain payments from the list price of a medicine. Pharmacy benefit managers and other entities in the supply chain should not be paid off the list price of a medicine and instead should be paid a fee based on the value of the services they provide.

Next, our member companies are willing to accept more risk for the outcome achieved by patients and are increasingly adopting value-based contracts that lower out-of-pocket costs and enable patients to access the right treatments the first time.

Finally, we believe empowering patients with information about the potential out-of-pocket costs of their medicines can help ensure patients can access the treatments recommended by their doctors. That's why last October PhRMA member companies doubled down on their commitment to patients by voluntarily adopting new principles for direct-to-consumer (DTC) advertising.

PhRMA member companies signing onto the updated principles committed, as of April 15, to include in their television advertisements that identify a medicine by name, direction as to where patients can find information about the cost of the medicine, including the list price and average, estimated or typical patient out-of-pocket costs, or other context about the potential cost of the medicine.

The biopharmaceutical industry is committed to ensuring patients can afford and access their medicines, but a state-run importation program is not the answer. I hope you'll reconsider your position on this extremely dangerous legislation, and I stand ready to work with you on reforms that can lower medicine costs for Floridians.

Sincerely,

