

**Subject:** AAM Information on HB 631

**From:** Chris Bowlin <Chris.Bowlin@accessiblemeds.org>

**Date:** 5/23/2017 4:39 PM

**CC:** "sam.malhotra@maryland.gov" <sam.malhotra@maryland.gov>

**To:** "christopher.shank@maryland.gov" <christopher.shank@maryland.gov>

Chris Bowlin has shared a OneDrive for Business file with you. To view it, click the link below.

 HB-631-Alternative-TPs-5-23-17 (004).docx

Chris,

Let me introduce myself. I'm Chris Bowlin, SVP for Government Affairs at AAM.

I know you've met with Chip Davis, our CEO on a number of occasions over the past several weeks. And you've heard from a number of members about the negative implications of HB 631 on the tremendous savings provided the generic industry.

As you've rightly pointed out, that despite our constant efforts during the legislative session to limit the negative impact of the bill, we were not able to overcome the lobbying by the AG, and his allies, to gain new legal authority to intervene in the market against the business practices of companies whose prices he disagrees with. This new unprecedented authority for an attorney general creates tremendous business risk for generic manufacturers and will undoubtedly limit patient choices and chill competition. Lupin, one of our largest member companies, and with US headquarters in downtown Baltimore, is one of our loudest advocates against the bill. We hope you will advise the governor to veto the bill on the merits because of its provision of new authority to the AG and because it will undermine the great efforts the Governor is making to turn around the MD economy and reinforce that the state is "open for business."

You've heard our arguments, and those of our members, encouraging the Governor to veto the bill. And I realize the consideration of our position is based on more than the merits, or lack thereof, of the bill. The bill was passed overwhelmingly in both chambers and a veto has the very real possibility of being overridden if the revote tracks the vote on passage.

In the hopes that the Hogan Administration agrees with the criticisms of the bill, we would suggest that there is a strong, compelling public case to be made that there is a

better way to address drug pricing. Right now, the AG and the democrats appear to be the prevailing public voice on doing something on drug pricing. But that doesn't have to be the case. HB 631 will jeopardize generic drug savings and make the drug spending problem worse, not better. Giving the AG new authority to sue companies and set drug prices from the AG office is, respectfully, not the answer. The good news is, and our polling backs this up, that no politician owns the issue of drug pricing. And a veto of the bill with market-friendly, workable alternative would be supported if an education campaign were launched.

Over the weekend, Chip had the chance to speak to the governor again. And I happened to speak with him at a gathering on Sunday as well. (I also had a brief conversation with Sam Malhotra and he asked me to copy him as well.) Of course we urged him to veto the bill. But we also discussed that the issue is not going away this year or next. And that he could veto the bill and capitalize on the issue using his voice to lead a conversation about addressing drug pricing from a more workable perspective – not one that cedes new authority to the AG. But one that uses a two part approach to address the problem: 1) use his own existing authority to address certain aspects of the problem and 2) commit to addressing the problem and pledge to work with the legislature on an alternative approach that respects the market, encourages more competition and preserves the \$4.1 billion that Maryland saves due to generics.

The governor urged Chip to share with you any recommendations that we may have. By way of this email, I'm sharing a set of talking points detailing what we believe is wrong with the bill and a short set of principles that the Governor could support in next year's session, giving him the platform to lead on this issue. We would work with you all to build out the principles so that drug spending is addressed, but not in a way that targets the one industry saving all the money

I've talked with Steve Hershey and an effort to educate the Senate about a better way may require a lot of work and strong message, but it is doable with enough time.

I am not unaware of the legislative challenge the Governor would face by vetoing the bill. But, a veto with an alternative that he could talk about going into next year would give him the right message with the public.

I'd like to have a conversation with you about the attachment if you would have a few minutes.

Thank you for your consideration.

Warm regards,

Chris Bowlin

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**Chris Bowlin**

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