



April 29, 2019

Assemblyman Kevin McCarty
State Capitol
Sacramento, CA 95814

RE: AB 1468 OPPOSE (as amd 4/11/19)

Dear Assemblyman McCarty,

On behalf of Biocom's over 1,100 members throughout California, I regret to inform you we are opposed to AB 1468, as amended 4/11/19. As California's largest and most experienced life science organization, Biocom is a leading voice in the advocacy efforts of the California life science community including biotechnology, pharmaceutical, medical device, genomics and diagnostics companies of all sizes, as well as research universities and institutes, clinical research organizations, investors and service providers.

The issue of substance abuse and addiction is a serious public health issue with wide-ranging implications. Many drug candidates in the pain management space are being developed with the specific goal of being less prone to abuse. AB 1468, however, risks duplicating money and new programs being implemented from relatively new federal funding sources. According to the Substance Abuse and Mental Health Services Administration (SAMHSA) website, in 2018 California was awarded \$580,556,433 in SAMHSA funding, with approximately \$427 million of that earmarked specifically for substance abuse.¹

The California Legislature has taken many progressive steps over the past few years to address the issue of abuse of opioids. From limitations on supply to more secure prescription platforms to sharing opioid prescription data across state lines to identifying "doctor shoppers," these actions will likely significantly reduce the abuse of opioids in California going forward.

Please note, however, that the legislation sets the pooled amount to be collected on a pro-rata basis from "manufacturers and distributors" at a fixed \$100 million. According to a recent Journal of the American Medical Association (JAMA) article, the number of new opioid prescriptions written from 2012 through 2017 has decreased significantly, with a 60% reduction in prescriptions that were written for more than a 3-day supply. Moreover, 70% fewer were written for a greater than 1 week supply²; both of these statistics are significant in determining possible prescribing patterns for drugs of abuse. This sets up a perverse system where

¹ <https://www.samhsa.gov/grants-awards-by-state/CA/2018>

² Zhu W et al. Initial opioid prescriptions among U.S. commercially insured patients, 2012–2017. N Engl J Med 2019 Mar 14; 380:1043. (<https://doi.org/10.1056/NEJMsa1807069>)



if the state is successful in curbing total opioid prescriptions written, a manufacturer would be charged ever-increasing assessments on significantly decreased sales.

Although Biocom opposes AB 1468, we commend you for your recognition of this issue, as many of its member companies look forward to being active partners with the state and federal governments in designing effective programming. If we may answer any questions, please contact me at jjackson@biocom.org or 858-832-4149 or Biocom's contract lobbyist on this matter, Maureen Higgins, at mphiggins@shjlobby.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmy Jackson". The signature is stylized with a large, looping initial "J" and a cursive "Jackson" following it.

Jimmy Jackson
Senior Vice President & Chief Policy Officer
Biocom

cc: Assemblyman James Gallagher
Assembly Revenue & Taxation Committee