

## FOR IMMEDIATE RELEASE

Contact: **Greg Lopes**  
**(202) 835-3460**

## PhRMA Statement on the President's Fiscal Year 2013 Budget

**Washington, D.C. (February 13, 2012)** — Pharmaceutical Research and Manufacturers of America (PhRMA) President and CEO John Castellani issued the following statement on the President's budget proposal:

"Despite President Obama's many pronouncements to support innovation, advance biomedical research, promote job creation and control health care costs for seniors, his 2013 budget proposal flies in the face of these important goals.

"Specifically, proposed mandatory rebates in Medicare Part D are a short-sighted proposition that could destabilize the program and threaten hundreds of thousands of American jobs.

"Recent research from the Battelle Technology Partnership Practice shows that staggering potential job losses would result from undermining the business foundations of biopharmaceutical companies. The report estimates that a \$20 billion per year reduction in biopharmaceutical sector revenue would result in 260,000 job losses across the U.S. economy. Government estimates show the Administration's proposals would have an impact of about this magnitude.

"Medicare Part D is working well for seniors. Due to competition, costs continue to be far below initial projections. We should not disrupt this successful program.

"We are also troubled by the President's proposal to reduce data protection for innovative biologic medicines, which is critically important to the development of cutting-edge medicines so needed by patients.

"The biosimilars provision of the health care reform law – the only provision in the law to garner strong bipartisan support – achieves an essential balance. It provides appropriate incentives to support future medical advances. It supports high-value jobs that are critical to our nation's economic recovery. And, it provides savings by creating the first pathway for federal regulators to approve biosimilars.

"Similarly, patent settlements are a vital aspect of a patent owner's ability to protect intellectual property. Restricting such settlements, which already are subject to review by the Federal Trade Commission and the Department of Justice, could discourage pro-consumer settlements, which often bring generics to market years before patent expiration. Without settlements, costly litigation could keep these generics from being available to patients for years.

"Finally, we continue to have significant concerns about the overly broad powers of the unelected Independent Payment Advisory Board (IPAB), which could enact sweeping Medicare changes without Congress' oversight and which would not be subject to judicial or administrative review.

We believe IPAB will result in access problems for Medicare beneficiaries and we support its complete repeal.

“The Administration refuses to recognize the consequences of these policies – for seniors, American jobs and U.S. competitiveness. America’s biopharmaceutical industry is a key driver of economic growth; the President’s proposed budget would weaken our ability to innovate and create jobs. This is not an investment in America’s future and these proposals should not be considered.”

###

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country's leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. PhRMA companies are leading the way in the search for new cures. PhRMA members alone invested an estimated \$49.4 billion in 2010 in discovering and developing new medicines. Industry-wide research and investment reached a record \$67.4 billion in 2010.

Find PhRMA Online:

- Website – <http://www.phrma.org>
- facebook – [www.facebook.com/PhRMA](http://www.facebook.com/PhRMA)
- Blog – [www.phrma.org/catalyst](http://www.phrma.org/catalyst)
- Twitter – [www.Twitter.com/PhRMA](http://www.Twitter.com/PhRMA) and [www.Twitter.com/PhRMApress](http://www.Twitter.com/PhRMApress)
- YouTube – [www.youtube.com/PhRMApress](http://www.youtube.com/PhRMApress)

For information on how innovative medicines save lives, visit: <http://www.innovation.org>

For information on the Partnership for Prescription Assistance, visit: <http://www.pparx.org>

For information on ensuring the flow of medicines during public health emergencies, visit <http://www.rxresponse.org>