



**NEW MEXICO
BUSINESS COALITION**

PO Box 95735
Albuquerque, NM 87199
(505) 836-4223 FAX (505) 836-4522
www.nmbizcoalition.org

RE: Opposition HB 154 Drug Affordability Act

Mr/Madame Chair and Committee Members:

New Mexico Business Coalition (NMBC) is the state affiliate for the National Association of Manufacturers (NAM) and represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to do business so that New Mexicans can have jobs and provide for their families.

NMBC opposes HB 154 because it touts a simple solution to prescription drug costs but has layers of negative consequences for our state. I'd like to explain why the bill, while well intentioned, threatens the future of research and innovation jobs in New Mexico and could make needed drugs less available to patients across the state in the short term and into the future.

Imposing arbitrary price cuts overlooks the fact that not all the companies being targeted by this legislation are biopharmaceutical giants. Some are small research businesses that are developing future life-saving drugs and other therapies. This research is expensive, exacting and lengthy and the economic threat to New Mexico is real. The biopharmaceutical industry in our state is a vibrant and growing job sector, supporting nearly 12,500 jobs. This sector generated over \$143 million in state and federal tax revenue in 2019. The deep damage that COVID-19 has done to our state's economy shows us that this is the worst possible time to be enacting legislation that would further threaten jobs and economic growth.

The bill also would have the consequence of limiting the ability of pharmacies to stock certain drugs. Why? The bill sets a cap on what a pharmacy can charge for a particular drug but manufacturers are not obligated to sell it at that price unless it is being sold to a state run program (Medicaid). If a pharmacy can only get the drug at the higher price but can only sell it at lower (government-set price) to persons with private sector prescription drug coverage, it could be forced to eliminate that drug from its inventory.

We applaud the efforts of lawmakers to tackle healthcare costs. However, HB 154 was developed without key stakeholder voices such as those like rural pharmacies who will be severely impacted by this bill. Unfortunately, as it is now, this bill has serious consequences for patients, small businesses, workers and our economy. Our hope is that HB 154 will be rejected at this time and that all stakeholders are included going forward to work on a more affordable healthcare system that protects jobs, patients and our economy.

Thank you,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag
President