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**SMART SOLUTION: STOP 'SMART' PRICES ACT
BEFORE IT KILLS MEDICAL INNOVATION & JOBS**

LOS ANGELES (July 21, 2023) – Business leaders and life science advocates urged lawmakers to oppose federal drug pricing legislation that would stymie life-saving research, slash billions from California's economy and wipe out more than 200,000 biopharmaceutical jobs statewide.

The Los Angeles County Business Federation "BizFed" called on **U.S. Sen. Dianne Feinstein** (D-Calif.) and **U.S. Sen. Alex Padilla** (D-Calif.) to oppose passage of the Strengthening Medicare and Reducing Taxpayer (SMART) Prices Act (S. 1246) introduced by **U.S. Sen. Amy Klobuchar** (D-Minn.) after studies revealed the bill would ultimately discourage innovation and significantly reduce the number of new medicines brought to market.

[A study published in June by Vital Transformation](#) linked passage of the SMART Prices Act to 237 fewer Food and Drug Administration (FDA) approvals of new medicines over the next decade for patients battling cancer, neurological conditions and rare or infectious diseases, as well as 1.1 million lost jobs nationwide. In California, the proposed mandates would lead to an estimated \$61.2 billion loss in investments in biopharmaceutical research and development.

The bill seeks to expand drug pricing rules in the Inflation Reduction Act (IRA) that have already undermined efforts to help Americans with debilitating conditions including cancer and Alzheimer's disease. IRA policies force drug manufacturers to pull all medicines from Medicare and Medicaid beneficiaries – not just the medicine subject to price setting – if they don't agree to comply with federally mandated prices. Within four months of the IRA's passage, at least a dozen companies announced plans to cut back on development of cancer treatments.

"BizFed understands killing medical innovation is not the way to save lives or reduce consumer costs. Capping returns on drug development with shortsighted price control measures will only discourage companies from investing in further research," said **Denise Kniter**, BizFed Policy Manager overseeing the advocacy alliance's Health Care & Life Sciences Committee.

California is projected to lose more than any other state under the SMART Prices Act, according to the Vital Transformation study:

- **\$63.54 billion** decrease in biopharmaceutical economic output.
- Loss of **38,510 biopharmaceutical jobs** due to direct impacts of legislation.
- Loss of **209,517 biopharmaceutical jobs** due to direct and indirect impacts of legislation.

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Press Release
FOR IMMEDIATE RELEASE

About the Los Angeles County Business Federation "BizFed"

BizFed is a massive grassroots alliance that advocates for policies and projects that strengthen the regional economy. BizFed explores all sides of critical issues and takes timely action to spur business growth, job creation and economic vitality across diverse sectors and communities. BizFed is proud to unite more than **245 diverse business organizations** representing **420,000 employers** with **5 million employees** in Southern California.