



March 28, 2023

Chair Liebling and Members of the
House Health Finance & Policy Committee
State Office Building
St. Paul, MN 55155

RE: HF 2930, Article 1, Sec. 13, Sub. 13k

Chair and Members of the Committee,

I am writing on behalf of the Biotechnology Innovation Organization, the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. On behalf of our members, we want to thank Chair Liebling for including value-based purchasing arrangements in the House Health Finance & Policy Omnibus bill and Representative Bierman for authoring the original legislation. This provision will ensure patients have timely access to groundbreaking, lifesaving, and life-changing therapies while potentially meeting state budget needs.

We are moving into an unprecedented time in the world of health care and biopharmaceuticals – pivoting from treating the symptoms of rare, genetic, and life-threatening conditions to actually addressing the underlying cause of disease through gene and cell therapies. This transition is happening because of the incredible innovation taking place at hospitals, research institutions and biopharmaceutical companies throughout the world, including in Minnesota like the Mayo Clinic. We must be able to match the innovation happening in research and development with innovation in the world of financing and reimbursement. Our current models for reimbursement are out-of-date and do not adequately address the changing paradigm.

The inclusion of value-based arrangements in HF 2930, would allow DHS to establish a more sustainable and predictable approach to financing and reimbursement for these incredible [gene and cell] therapies through value-based arrangements. These alternative financing approaches will allow DHS to realize the incredible potential for cost offsets over time but also, and more importantly, create a positive coverage landscape for patients who could benefit most from these innovative therapies.

If passed, the bill would continue to ensure Minnesota is at the forefront of medical innovation – being just one of a handful of states (AL, AZ, CO, LA, MA, MI, NC, OK, TX and WA) that have received clearance from the Centers for Medicare and Medicaid Services (CMS) to enter in to value-based arrangements with manufacturers in Medicaid (also, the fourth state to pass legislation enabling this pathway: OH, PA and TX).

For these reasons, BIO and its member companies strongly supports its inclusion in HF 2930, allowing DHS to establish a more sustainable and predictable approach to financing and reimbursement for these incredible therapies through value-based arrangements.

Thank you,

A handwritten signature in blue ink that reads "Lilly Melander".

Lilly Melander
Director State Government Affairs
Biotechnology Innovation Organization