

July 28, 2011

The Honorable Barbara A. Mikulski  
503 Hart Senate Office Building  
Washington, D.C. 20510  
Fax: 202-224-8858

The Honorable Benjamin L. Cardin  
509 Hart Senate Office Building  
Washington, D.C. 20510  
Fax: 202-224-1651

**Re: Independent Payment Advisory Board**

Dear Senators Mikulski and Cardin:

The Tech Council of Maryland (TCM) urges you to consider an important issue impacting Maryland's most innovative companies. As the August 2 deadline for raising the debt ceiling approaches and lawmakers continue to explore options for reducing the national deficit, it is imperative that efforts to balance the budget do not come at the expense of patient care or medical innovation, which is a major source of economic growth in Maryland and across the United States.

For this reason, TCM is writing to express concern over the controversial Independent Payment Advisory Board (IPAB), a panel established by the Affordable Care Act and tasked with controlling the rising cost of Medicare. Though well-intentioned, this unelected, unaccountable panel will have the power to cut services to Medicare patients and payments to doctors and providers, all with little to no oversight from Congress. By making mandatory annual cuts based on arbitrary spending targets, this powerful independent board could jeopardize the quality of patient care and deny seniors access to necessary treatments and medications if they are deemed too costly. IPAB is attracting growing opposition among patient and provider groups as well as Members of Congress from both sides of the aisle, all of whom agree that patients and their doctors - not a panel of government bureaucrats - should decide what treatments are right for them.

Furthermore, imposing arbitrary price controls on treatments and medications will only serve to stifle free market competition in the bioscience industry and limit the resources available to invest in groundbreaking research and development. The U.S. is currently the world's unquestioned leader in biopharmaceutical innovation, but Japan is investing three times as much in overall research and redevelopment while the European 'big five' are spending twice as much. By further cutting off sources of research and development funding and obstructing the competition that drives medical breakthroughs in the bioscience industry, we risk compromising America's comparative advantage and losing tens of thousands of skilled, high-paying jobs.

Maryland is currently home to a specialized and rapidly growing bioscience industry, and the state's job growth in research, testing, medical labs, drugs and pharmaceuticals, and medical devices and equipment has outpaced the national average since 2001. The state benefits from a high concentration of research dollars, leading the nation in per capita bioscience academic research and

development funding as well as NIH funding. In the last six years alone, Maryland had \$1.7 billion in venture capital investments in bioscience, primarily in the pharmaceutical and human biotechnology sectors.

Clearly, the bioscience industry is an important engine for job creation and economic growth in Maryland, one which we cannot afford to jeopardize by crippling American medical innovation. Biopharmaceutical innovation can also reduce health care costs in the long term by treating and curing diseases that currently make health care so expensive, like cancer, Alzheimer's, and diabetes. A drug delaying the onset of Alzheimer's disease by five years would save Medicare \$50 billion every year - a breakthrough that may not be possible with price controls stifling innovation.

While Medicare spending can and must be reduced, the IPAB is not the most effective means of achieving cost containment goals. In fact, by imposing arbitrary spending cuts that will hinder medical innovation, IPAB will only make the problem worse. In the short term, improving payment, delivery, and preventative care to reduce errors and waste are the real keys to reducing health care costs in the United States.

Accordingly, we urge you to support policies that do not threaten medical innovation or patient access to life-saving care. Thank you as always for your support of Maryland's tech and biotech industries and we very much look forward to continuing to work together on important issues.

Sincerely,

A handwritten signature in black ink that reads "Renée M. Winsky". The signature is written in a cursive, flowing style.

Renée M. Winsky  
Chief Executive Officer