March 11, 2025

Dear Honorable Members of the California Congressional Delegation,

On behalf of California's patients, businesses, and the communities we represent, we respectfully request that you take action to address the provision within the Inflation Reduction Act (IRA) that significantly impacts research and development into proven, life-saving treatments: the pill penalty.

Last year, Representatives Don Davis (D-North Carolina) and Brett Guthrie (R-Kentucky) introduced legislation to address the pill penalty issue by equalizing the negotiation period between small-molecule and biologic candidates within the IRA. Without legislation to address this issue, the IRA would offer a bigger reward for the development of biologics than it would for the development of small molecules, which would be devastating for patients that need access to new therapies, particularly in the oncology, mental health, and rare disease states.

Small molecule drugs offer enormous benefits, especially when they become inexpensive generics, like ibuprofen. But these are not just the pills of yesterday – some can cross the blood-brain barrier, which has long been a challenge for the treatment of diseases impacting the central nervous system, such as psychiatric disorders, neurodegenerative diseases, and primary and metastatic brain cancer.

Since the IRA was introduced in 2021, data from We Work For Health already highlights an estimated 70% decline in small-molecule investment, which equates to a potential loss of up to 188 new small-molecule medicines over the next 20 years and more than 115 million life years lost due to less treatments being developed.

We very clearly understand the desire to reduce costs for patients, but we cannot stand by and watch the domino effect of unintended consequences wreak havoc on patients and the biotechnology industry as a whole.

Addressing the IRA's pill penalty provision would not only support ongoing research and development into treatments and new solutions for diseases once considered impossible to confront, but, more importantly, it would offer meaningful hope to patients living with rare, chronic, or complex diseases that an effective treatment is on the horizon.

Additionally, California is the epicenter of innovation, and the life science sector is vital to our state's economy. Removing the IRA's small-molecule penalty would allow our state's innovation and investment ecosystem to continue to thrive.

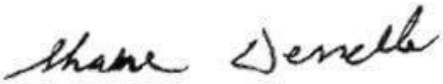
Congress has a responsibility to balance the desire for affordable and accessible medication, and to foster scientific innovation and progress. We look forward to working with you on more effective solutions that will help patients afford their life-saving care and treatments.

Sincerely,

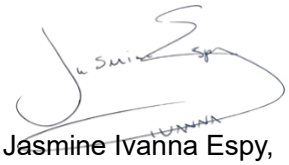
Undersigned groups



Courtney Quinn
Executive Director,
Albie Aware Breast Cancer Foundation



Shane Desselle,
President,
Applied Pharmacy Solutions



Jasmine Ivanna Espy,
Founder & CEO,
The Association of Hidradenitis Suppurativa
& Inflammatory Diseases



Le Ondra Clark Harvey
Executive Director,
California Access Coalition



Liz Helms
President & CEO,
California Chronic Care Coalition



Julian Cañete
President & CEO,
California Hispanic Chambers of Commerce



Rev. Tammie Denyse, MCL, M.Div., Ph.D. (Hon)
Co-Founder & President,
Carrie's TOUCH



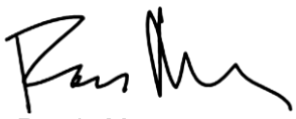
Cornelious (C.J.) Page Jr.
Executive Director & Health Advocate,
Community Health Action Network (CHAN)



Deborah Martin
Executive Director & CEO,
ElderHelp of San Diego



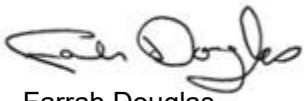
Debbie Shaeffer
Executive Director,
International Bipolar Foundation



Randy Muñoz
Vice Chair,
Latino Diabetes Association



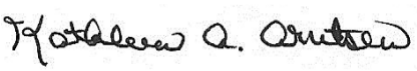
Scott Suckow
Executive Director,
Liver Coalition



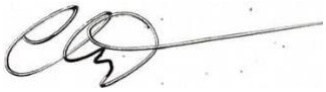
Farrah Douglas
President & CEO,
Liver Health Foundation



Tracy Hernandez
Founding CEO,
Los Angeles County Business Federation



Kathleen A. Arnsten
President & CEO,
Lupus & Allied Diseases Association, Inc.



Elizabeth Savage
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Deborah Martin
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Stuart Waldman
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Richard L. Zaldivar
Executive Director & Founder,
The Wall Las Memorias