AZBio shares the timely and accurate information our elected leaders need so that they can develop and implement public policies that support the continued growth of our industry and that provide the people of Arizona with access to the life saving and life changing innovations our industry develops, discovers, and delivers, every day.

AZBio is the only organization exclusively focused on supporting the growth of Arizona’s life science and healthcare sector. Dorn Policy Group is AZBio’s official representative at Arizona’s State Capitol. At the federal level, AZBio works with our partners at BIO, PhRMA, MDMA, and other organizations on the key issues that affect our members and our industry locally, nationally, and internationally.

LEARN MORE AT AZBIO.ORG/ADVOCACY

AZBio is committed to making Arizona a top-tier bioscience state. Top tier bioscience states have mastered the 3-Ds and strike a balance between investments and results across a continuum from Discovery to Development to Delivery. Over the last decade, Arizona has made remarkable progress, but we still have gaps to bridge in order to get to the top tiers.

• Discovery comes from the exploration of what might be possible. It occurs in our universities, in our private research institutes, in our private companies, and in the clinical setting. We have attracted top talent and we will need to attract more. That means more investment and support will be required from government, industry and philanthropic partners.
• Development comes next in the form of university tech transfer, translational research, industrial development, or clinical development and trials. None of this happens without capital. Development capital is increasing both from state governments and private sources. It just is not here in Arizona at needed levels yet. This means innovators must waste time traveling to “follow the money”, and sometimes relocate to receive it. Unless Arizona resolves its investment capital crisis in a meaningful way, and at bioscience scale, the benefits of our discovery investments will be realized elsewhere.
• Delivery, taking products to market and gaining market acceptance, is the last step. All the discovery and development in the world will mean little if there is not a final benefit for customers, patients, and investors. Delivery requires still higher levels of investment and a labor force that can support it. Investments in our workforce begin at the K-12 level and extend through our community college and university systems. Having a strong educational system is a prerequisite for attraction and retention of biotech companies and their employees.

To become a top tier bioscience state, Arizona must master the 3-Ds and support our stated intentions with committed and sustained investments across Arizona’s public and private sectors. When we do, we grow. If we do not, Arizona innovations will still emerge; but the benefits of increased employment and tax base will be harvested somewhere else.
• Support the discovery, development, commercialization, delivery and availability of bioscience innovations that support the sustainability of our planet, our people, and our communities.
• Ensure that patients have access to the lifesaving and life-changing innovations our industry creates. Educate on how the unintended consequences of policy changes can harm patients.
• Improve the availability of early stage capital for bioscience and medtech companies so they can grow and create more opportunity and jobs here in Arizona. Support the creation of an Arizona Bioscience Seed Fund and adequately fund the Angel Investor Tax Credit to encourage follow-on funding and co-investment.
• Grow and attract great bioscience companies by providing a supportive tax and regulatory environment.
• Support K-12 Education programs that benefit our state as a whole and serve as a magnet to attract and retain a talented and productive workforce.
• Support Higher Education Funding and protect the vital academic research funding generated under the Technology and Research Initiative Fund (TRIF).

• Develop new policies and programs that support University Technology Transfer Activity, encourage entrepreneurial activity, and foster a growing investment base that will create a significant economic impact.
• Protect Economic Development Programs that support our overall Business Climate. Ensure that the Arizona Commerce Authority has the resources and tools necessary to attract new business opportunities and support the growth of Arizona businesses that provide high-quality Arizona jobs.

• Serve as a reliable and trusted resource to our Elected and Appointed Leaders on issues and opportunities that affect our bioscience industry, our communities, and our state.

• Educate the community and elected leaders at every level on the VALUE our industry delivers and the importance of ensuring that patients have access to life changing and lifesaving innovations.
• Work with elected leaders at all levels to provide the information they need to make good choices as we revise our healthcare policies nationally and at the state level. This includes providing information on the potential unintended consequences of specific policy proposals and proposing workable solutions that support the needs of individual patients and our community as a whole.
• Ensure that Arizona’s Angel Investment and R&D Tax Credits are uninterrupted and appropriately funded at levels that support industry growth and the creation of high-quality jobs for Arizonans.
• Education Funding on the 2020 Ballot: In 2018, Arizona extended the .6 cent transaction privilege tax for education created under Prop. 301 through 2041. It is expected that the 2020 ballot will include a new plan for funding K-20 education. Essential Prop. 301 allocations including support for our community colleges and the Technology and Research Initiative Fund (TRIF) need to be included in any proposed initiative in the same proportions as provided under Prop. 301.

• Support creative solutions to improve Arizona’s educational systems at all levels including programs to provide internship opportunities for our future life science workforce and the educators who train them.

VOICE FOR ARIZONA’S BIOSCIENCE SECTOR
AZBio is the unified voice of Arizona’s bioscience industry – at the national, statewide and local level. Advocacy is a key responsibility of any industry association. The AZBio Public Policy Goals provide a framework for the key concepts and initiatives that we, as AZBio, believe are critical to the growth of the bioscience industry in Arizona and nationally. AZBio is represented at the Arizona State Capitol by the Dorn Policy Group, a leading professional public affairs firm serving Arizona and the Western United States. DPG team members provide strategic counsel and issue management. They also sign in on behalf of AZBio on key measures affecting our industry as our contract lobbyist. At the national level, AZBio often works in partnership with BIO, Advamed, MDMA, PhRMA and patient advocacy organizations.
**DISCOVERY**

**University Research Funding**

Advance the research enterprise systemwide by working collaboratively with the Arizona Board of Regents. Arizona voters in 2000 approved Proposition 301, which resulted in essential funding for K-20 education and the investment of over $1 billion in research programs, educational resources and scientific talent, at our universities via the Technology and Research Initiative Fund (TRIF). The result is a tremendous improvement in the state’s competitive ability to attract and retain valuable private and public investment, commerce and jobs. In 2018, the Legislature extended the measure for another 20 years. However, the extension is not voter-protected. It is essential that any Ballot initiative in 2020 includes this critically important investment and maintains TRIF so that it continues to provide essential funding for K-20 education and the investment of over $1 billion in research programs, educational resources and scientific talent, at our universities via the Technology and Research Initiative Fund (TRIF). The result is a tremendous improvement in the state’s competitive ability to attract and retain valuable private and public investment, commerce and jobs.

**ABRC 2.0**

Ensure funding previously managed by the Arizona Biomedical Research Commission and now administered by AZDHS continues to be applied to bioscience research, health education and innovation specifically designed to benefit the people of Arizona.

**DEVELOPMENT AND COMMERCIALIZATION**

**Expand Arizona’s Refundable R&D Tax Credit**

Where once Arizona was a leader in this area, best practice analysis of the 50 states shows that we are falling behind. In addition, the growth of our industry has resulted in the annual fund being exhausted before all qualified requests can be filled. The result is that Arizona based companies who make these investments cannot rely on receiving the anticipated state support. It is critically important that both the legislature and the Governor’s office work together to keep Arizona competitive and by supporting and expanding this vital program.

**Arizona’s Angel Investor Tax Credit Program**

In the 2014 legislative session, the Legislature extended the sunset date of the highly successful Angel Investment Tax Credit from 2016 to 2021. In 2017 Arizona committed to $10M ($2.5M/year) in funding through the end of the program term. Our technology industries rely on Angel Investors to fuel new and continued development of the innovations that create companies and high-quality jobs. Those same investors must be able to rely on the state to honor the promised tax credits when they invest in innovation as defined in the statute.

**Bridging Arizona’s Funding Gap**

While the growth of Arizona’s bioscience sector has been significant, as compared to its baseline measurement in 2002, Arizona is lagging its peer group (states with 5 - 7 million people) in the number of firms and in employee base. A significant contributing factor to this phenomenon is a notable lack of early stage risk capital for commercialization of the life science companies being created in the state. Interest rates are beginning to rise. The time is right to explore the feasibility of a public-private partnership to support the creation of a steady and sustained stream of early stage capital.

**DELIVERY**

**Spinal Muscular Atrophy (SMA)**

Support adding SMA to Arizona’s Infant Screening Program: On July 3, 2018, Health and Human Services Secretary Alex Azar approved the recommendation that newborn screening for spinal muscular atrophy be implemented nationwide. With Secretary Azar’s signature, SMA becomes part of the Recommended Uniform Screening Panel (RUSP), a list of 35 core conditions that all newborns born in the US are recommended to be screened for. On average in the US, one baby each day is born with SMA. Each day represents the opportunity to save a life through newborn screening and an innovative gene therapy that can cure SMA.

**Telehealth**

Telehealth and its integration into delivery of health care through electronic means should continue to be enabled throughout Arizona. That includes educating and advocating for uniform deployment and enforcement of the new telemedicine laws at state and local levels and facilitating expansion of a robust statewide telehealth ecosystem and improving broadband coverage especially in rural communities.

**Opioid alternatives**

Arizona’s actions to address the opioid crisis in 2018 were a bipartisan effort. As with many health public health challenges, prevention is the most effective offensive strategy. A number of alternatives to opioids for pain management are either currently available or in development. While the initial cost of opioids is less expensive than these alternatives, the overall cost to the healthcare system when addiction must be treated is significantly higher. Arizona has the opportunity to lead the nation in establishing programs that provide incentives to prescribing treatments that are opioid alternatives for both acute and chronic pain management.

**EDUCATION AND WORKFORCE**

Without a quality education system, Arizona will not attract, retain or develop the workforce we need to compete in the 21st Century. Without a 21st Century workforce, Arizona will not be well positioned to attract, retain or develop the industries that create the high-wage jobs and high growth companies that fuel economic growth. Education extends across a continuum from early childhood to adulthood. To create a job ready workforce, we must give Arizona students the opportunity to develop the skills and talents that will allow both the individuals and our industries to be globally competitive using all of our available resources including K-12, our community colleges, and our universities.

**Internships**

Develop innovative funding sources to support STEM internships to further enrich Arizona’s educational environment and attract and retain a highly talented bioscience workforce.

Beyond the classroom, we can offer applied learning opportunities to both teachers and students so that theory can be fine-tuned through real world experience by creating a Real-World Training Program to include paid work-study opportunities for STEM educators and paid internships for students aspiring to careers in STEM fields.

This concept has been proven successful in other states and holds the potential to help advance our students in the STEM careers that will provide them greater opportunities.
NATIONAL ISSUES

DISCOVERY
- Ensuring that our country continues to lead the world in medical innovation through increased funding at the NIH, NSF, DOD, and other federal programs that support both basic research and translational science.
- Continuing the work of the 21st Century Cures Initiative and ensuring that the United States maintains its global leadership in life science innovation.
- Working with FDA and CMS on the programs and policies that ensure that our citizens benefit from lifesaving and life changing innovations as soon as they can be safely and effectively delivered.
- Ensuring that our policies and programs encourage the commercialization of the discoveries that can make life better and creates and maintains an environment where private investment in these companies is encouraged and valued.
- Supporting work on the PDUFA and MDUFA reauthorizations which will need to go into effect October 1, 2022.

DEVELOPMENT
- Promoting Trade Policies that ensure American companies can succeed globally by strengthening international intellectual property protections and avoiding tariff policies that can result in the reduction in our industry’s position as a net exporter.
- Fully support ratification of the United States-Mexico-Canada Agreement (USMCA) including its provisions that protect biotechnology innovation, including provisions that update intellectual property protections and agricultural market access to 21st century standards.
- Advocating to ensure that the reimbursement schedule for diagnostic tests is fair and reasonable as a way to protect patient access and the ongoing investment in these crucial innovations.

DELIVERY
- Ensuring Access to Medicare Part B Medications requires that community-based infusion centers, private clinics, and our hospitals have adequate reimbursement levels to support patient care.
- The current proposals relative to the International Price Index or IPI, a policy that would set certain drug prices based on an international benchmark would affect many life-saving drugs administered to patients in hospitals and doctor’s offices under Medicare Part B. Prices for these medicines would be benchmarked to government-set prices in countries such as Austria, Ireland, Greece, Czech Republic and a dozen others. CMS estimates this proposal will lower costs. In practice, however, it would essentially import other countries’ price controls into our nation’s health care system. The U.S. Chamber has stated this will reduce American seniors’ access to life-saving drugs, inhibit innovation, and ultimately threaten our nation’s free-market health care system.
- Protecting the delicate balance of payments under Medicare Part D is essential. When programs work, operate under budget and carry a 90% approval rating, changing them is unwise.
- Promote Trade Policies that ensure American companies can succeed globally by strengthening international intellectual property protections and avoiding tariff policies that can result in the reduction in our industry’s position as a net exporter.
- Fully support ratification of the United States-Mexico-Canada Agreement (USMCA) including its provisions that protect biotechnology innovation, including provisions that update intellectual property protections and agricultural market access to 21st century standards.
- Advocating to ensure that the reimbursement schedule for diagnostic tests is fair and reasonable as a way to protect patient access and the ongoing investment in these crucial innovations.

Permanently repealing the Medical Device Excise Tax
The U.S. leads the world in medical technology, but the device tax threatens that leadership. Suspended for 2016 - 2017 and again for 2018-2019, permanently repealing the device tax will provide medical technology innovators with the long-term certainty necessary to support future job growth and sustainable, cutting-edge R&D that will ultimately lead to the next generation of breakthroughs in patient care and treatment.
AZBio strongly supports a permanent repeal the 2.3 percent excise tax on medical devices set to take effect at the end of 2019. Both of Arizona’s Senators and five of our seven U.S. Representatives have signed on to the bills in their chambers that would achieve this goal.