



AZBIOTM

ARIZONA BIOINDUSTRY ASSOCIATION



Public Policy Guide

2021-2022

The Arizona Bioindustry Association

(AZBio)

is the only organization exclusively focused on Arizona's life science and healthcare industry.

Our Vision of the Future

Arizona is a top-10 bioscience state.

Our Mission

AZBio supports the needs of Arizona's growing Life Science Ecosystem.

AZBio Leadership

understands that while focus is important, action is essential. AZBio's leaders identify opportunities and then execute to leverage them.

AZBio Membership

includes patient advocacy organizations, life science innovators, educators, healthcare partners, communities and leading business organizations.

AZBio Programs

are designed to connect and engage our community, foster collaboration, and to attract and conserve precious resources.

AZBio Communicates

on AZBio.org, through our Sonoran Living Health Innovation Spotlights on ABC15 and CW61, via IN THE LOOP, by maintaining the statewide events calendar, and connects talent to opportunity at the AZBio Career Center.

AZBio Creates

Bottom Line Impact

AZBio Members who utilized AZBio's purchasing contracts saved over \$4 Million dollars together in 2020.

AZBio Supports

Economic Development

investors, real estate developers, site selectors, economic development agencies and our elected leaders trust AZBio to provide the information they need to retain and grow the industry sector.

AZBio is active at the state and national level

working to advance innovation and to ensure that the value delivered from life-changing and life-saving innovation benefits people in Arizona and around the world.

AZBio is Committed

to making Arizona a Top-10 Bioscience State and we invite you to join us.

Learn more at [AZBio.org](https://azbio.org)

AZBio board members

MARA ASPINALL, Co-Founder and Managing Director of BlueStone Ventures

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AVP Innovation & Strategy, Office of Innovation, HonorHealth

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The University of Arizona

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Johnson & Johnson

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Deputy director, Biodesign Institute, Arizona State University

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GALEN PERRY
Vice president of marketing and communications, Translational Genomics Research Institute (TGen), an affiliate of City of Hope

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Cofounder & CEO, OncoMyx Therapeutics

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Senior director of market access, Roche Tissue Diagnostics

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ALEX TESSMER, MBA, Senior Marketing Manager, Ideation at BD Peripheral Intervention

SANDRA WATSON
CEO, Arizona Commerce Authority

KYLE WESLEY, Senior Engineering Manager, Medtronic

CLAUDIA WHITEHEAD, Economic Development Program Manager, City of Phoenix

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Joan Koerber-Walker
Arizona BioIndustry Association (AZBio)



MAKING LIFE BETTER

It's what AZBio members do.

AZBio helps them do it.

AZBio supporters make what we do possible.

LEGACY LEVEL



CHAIRMAN'S CIRCLE



LEADERSHIP LEVEL



SUSTAINING MEMBERS





THE VOICE OF ARIZONA'S BIOINDUSTRY

As the unified voice of Arizona's Bioscience Industry, AZBio works closely with our elected leaders at the local, state, and federal level.

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, AdvaMed, 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

PUBLIC POLICY GUIDE



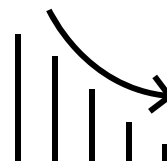
Improving lives

Arizona's life science industry is working on finding answers to global health challenges and diseases that affect people around the world as well as those that are centered in Arizona like Valley Fever. We are helping people live longer and have a higher quality of life through innovations in diagnostics, medical devices, vaccines, and therapies. And, as medical technology and information technology converge, Arizona innovators are creating solutions that detect and diagnose disease, improve outcomes, and keep us healthy.



Increasing economic vitality

One of Arizona's largest employment sectors, the life science industry includes over 2,160 firms, wages significantly higher than state averages, and an overall economic impact of over \$32.67 Billion in 2018. Arizona's bioindustry works with our students, our educators, our innovators and our business partners to ensure that Arizona continues to benefit from the economic vitality this industry can deliver to our state. (Updated economic impact numbers for 2020 will be available in June, 2022.)



Reducing healthcare costs

Healthy people contribute more to our community and to our economy. By keeping more people healthy and caring for those who are not, we create a benefit that is measured in more than just dollars. Working with our healthcare partners we are committed to better outcomes, early diagnosis and treatment, cost-saving innovations, and a benefit to cost equation that continues to grow value.

AZBio is committed to making Arizona a top-10 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-10.

- 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

VISION



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-10 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 someplace else.

INVESTING IN ARIZONA'S FUTURE



Investing in the future

Arizona has a history of innovative public policy and of making strategic investments designed to improve the lives of Arizonans today and in the future.

In 1922, the Colorado River Compact secured Arizona’s water rights to the Colorado River, supporting the growth of our agricultural sector and our population.

In the ‘50s, ‘60s and ‘70s, Arizona leaders worked with the federal government to design and begin to build the network of roads and highways that have supported our growing population.

In 1997, Arizona established a statewide focus on the biosciences and other technology sectors. Today, these sectors are key drivers for Arizona’s employment and economic growth.

In 2000, the people of Arizona passed Prop. 301, providing needed funding for for K-12 education, workforce development and TRIF.

In 2003, the Arizona legislature provided \$500 million to the 3 state universities for research infrastructure. In 2017, they added \$1 billion more to maintain and expand this critical resource.

Arizona’s 2022 budget, funded the New Economy initiative, making strategic investments at our universities so they can prepare Arizona’s workforce for

today’s jobs, and tomorrow’s.

Public and private investments into the bioscience sector have helped to make Arizona a top emerging bioscience state. The return on university research investments, as reported by the Arizona Board of Regents, is impressive year after year. The economic impact generated by our Bioscience Industry has grown from \$23.16 billion in 2016 to \$32.67 billion dollars in 2018. We are growing. However, we are not maximizing our potential.

By the most accepted national metrics, Arizona ranks 17th in the number of firms, 23rd in the number of life science employees, 29th in the average wage per employee, 24th in Academic R&D investments, and 25th in venture capital invested into bioscience companies in their state.

AZAdvances

Based on a multi-year best practices study, AZBio and the Opportunity through Entrepreneurship Foundation (OTEF) created AZAdvances, a non-for-profit model to address the gap in early stage funding that is preventing Arizona’s bioscience sector from reaching its full potential.

AZAdvances is designed to be sustainable and self-supporting after achieving an initial capitalization of \$200 million into the AZAdvances Legacy Endowment and \$10 million

per year committed to the AZAdvances Today Fund for the first 5 years while the endowment matures. AZBio is seeking support for the AZAdvances not-for-profit model from both public funds and private donations.

ECONOMIC IMPACT 2018 (\$Billions)	
AZ	32.67
CO	39.99
IN	77.29
MD	60.88
MN	81.08
MO	35.34
TN	42.31
WA	56.40
WI	40.63

AZBIO PUBLIC POLICY PRINCIPLES

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.

FOR PATIENTS

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 when they need them.

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.

FOR STUDENTS

Education Funding: In 2018, the State of Arizona extended the .6 percent transaction privilege tax for education, workforce development and university research created under Prop. 301 through 2041. A new ballot initiative is needed to voter-protect this essential funding. Prop. 301 allocations, including support for our community colleges and the Technology and Research Initiative Fund (TRIF), need to be included in any proposed ballot initiative in the same proportions as provided under Prop. 301.

Internships: Develop creative solutions to improve Arizona's educational systems at all levels including programs to provide internship opportunities for our current and future life science workforce.

FOR GROWTH

Pursue our vision of Arizona as a top-10 bioscience state.

Research and share information on economic development best practices that can be adopted or adapted in Arizona to fuel future growth.

Capital: Work with public and private funding partners to capitalize AZAdvances.

Attract and Grow: Support programs and public policies that continue to make Arizona a state that attracts and grows innovative life science and healthcare companies.

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.

Develop programs that encourage real-estate and infrastructure development to house our growing industry.

FOR ALL OF US

Build creative solutions to support diversity, equity and inclusion across our educational systems, workforce, research & clinical trials programs, and healthcare delivery systems.

AZBIO KEY STATE POLICY INITIATIVES FOR 2022

AZBio's policy initiatives in 2022 focus on the path from Discovery to Development to Delivery of life science innovations that will benefit the people of Arizona today and in the future.

FOR PATIENTS

Equitable Access to Testing

Early detection of a disease or other adverse health condition can save lives, support improved treatment outcomes, AND reduce overall healthcare costs. If a basic screening test for breast cancer, colon cancer or other condition is part of the established standard of care, then follow on tests, as prescribed by a healthcare professional should be covered in the same way, otherwise, for some patients, the ability to pay for additional tests will become a barrier to quality care.

Multi-cancer screenings and tests

Until recently, early cancer detection tests have focused on screening for one cancer at a time and even these are limited to a small number of cancers. Multi-cancer early detection (MCED) tests utilize advances in genomic science and computing power to, through a simple blood draw, find cancer before it spreads throughout the body. Peer-reviewed research details the effectiveness of these new technologies and the U.S. Food and Drug Administration

(FDA) has granted multiple breakthrough device designations. As science moves forward, so must health care policy. Arizona researchers and companies are leaders in the development of innovative diagnostics AND Arizona can be a leader in ensuring that our people do not face unnecessary access barriers to these new early detection tools once approved by the FDA.

An Inclusive P&T Committee Process

The AHCCCS Pharmacy & Therapeutics Committee (P&T Committee) advises AHCCCS Administration and is responsible for evaluating scientific evidence of the relative safety, efficacy, effectiveness and clinical appropriateness of prescription drugs. The Committee makes recommendations to the AHCCCS Administration on the development and maintenance of a statewide drug list and prior authorization criteria as appropriate. The Committee may also evaluate individual drugs and therapeutic classes of drugs. Current P&T Committee meetings are open to public comment but

industry-related input or even clarification of data presented in a meeting data is restricted. A more inclusive process will better serve the needs of both patients and medical providers.

Non-Medical Switching

Non-medical switching is the practice of forcing stable patients to switch from their current, effective medications to other drugs or biologics, that may not be as effective, for reasons unrelated to health. Arizona can honor the decisions made by the prescriber and patient by grandfathering patients who are currently stable on a treatment plan and would be negatively impacted by changes to the insurers' formularies.

Opioid alternatives

Arizona's actions to address the opioid crisis in 2018 were a bipartisan effort. As with many 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.

Telehealth

Telehealth and its integration into delivery of health care through electronic means should continue to be enabled throughout Arizona. This 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.

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.

FOR STUDENTS

Education Funding

Provide the opportunity for the people of Arizona to voter-protect essential education funding with a new ballot initiative including support for our community colleges and the Technology and Research Initiative Fund (TRIF) in the same proportions as originally provided provided under Prop. 301.

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. 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.

FOR GROWTH

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 not realizing its full potential. A significant contributing factor to this phenomenon is a notable lack of early-stage risk capital for commercialization of the life science innovations being created in the state. Early-stage capital investments provide the opportunity for Arizona Life Science companies to build their team and achieve the metrics needed to attract angel or venture capital. The chart below shows Venture Capital invested in life science companies in states with life science sectors similar to Arizona based on the number of life science firms. The states of Colorado, Maryland, Minnesota, Missouri, Utah, and Washington have increased access to public or private early stage capital. Arizona needs to increase its early stage capital availability to reach its full potential. AZAdvances has been specifically designed to address this challenge and to provide a steady and sustained stream of early stage capital. To realize the dual benefit of increased economic development and health innovations, public support is essential.

BIO VENTURE CAPITAL 2016-2019

(\$Millions)

AZ	CO	IN	MD	MN	MO	TN	UT	WA	WI
349.35	1,415.16	289.49	1,605.75	1,363.90	717.11	393.18	979.77	2,392.70	389.95

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.

DEVELOPMENT

- 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.

DELIVERY

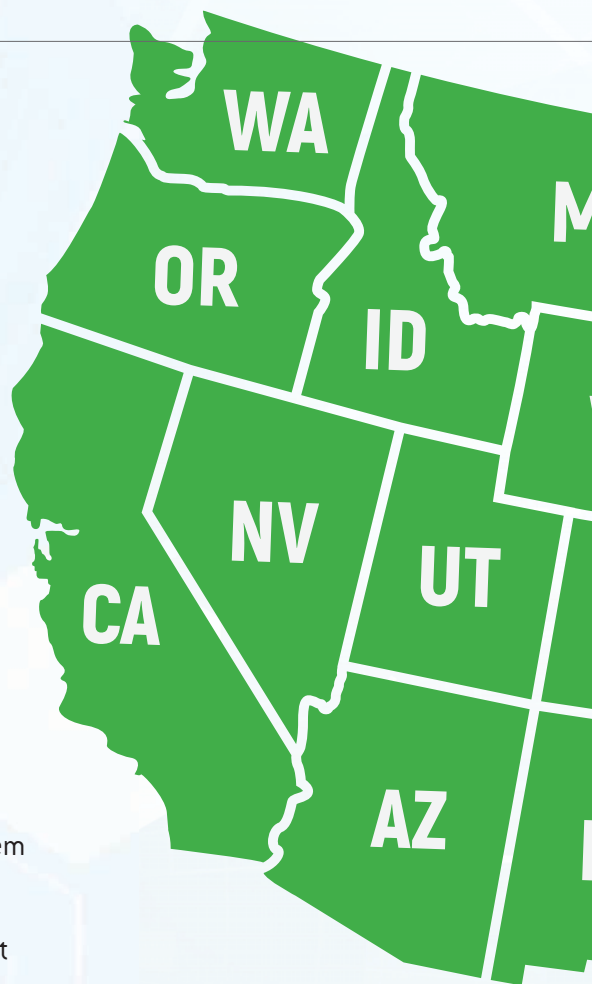
- Ensuring Access to Medicare Part B Medications requires that community-based infusion centers, private clinics, and our hospitals have adequate reimbursement levels to support patient care.
- AZBio strongly supports statutory

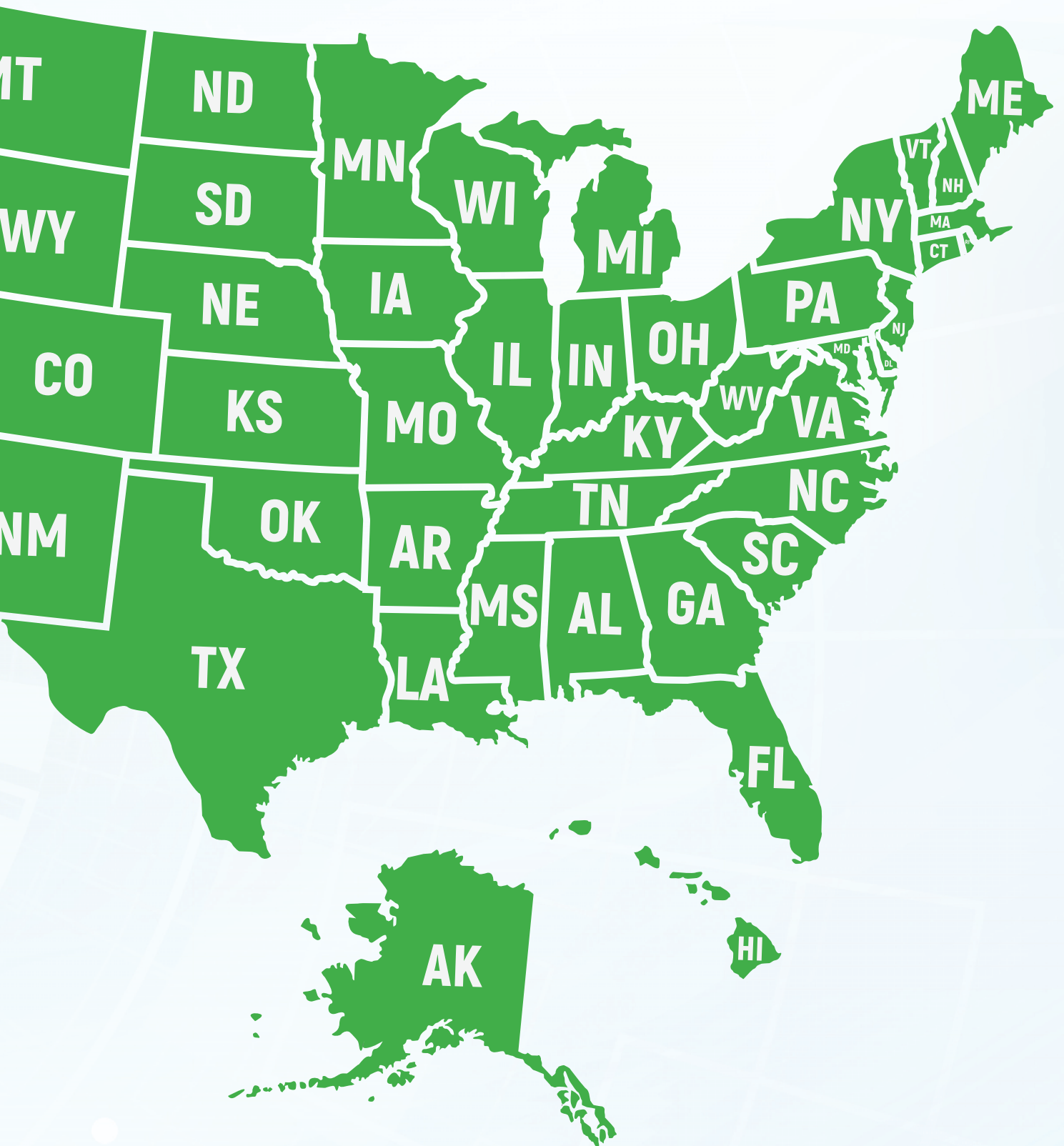
and regulatory reform to help fix our country's broken rebate system and ensure savings provided by drug makers are passed along to patients. Policies that would adopt foreign price controls will cripple the small, innovative companies developing the vaccines and therapies that the American people need. Foreign price controls from countries/systems that don't value innovation, disrupt providers' ability to deliver care and increase barriers to patient access. We need to avoid policies that could result in delaying or denying access to cures and treatments, stifling the development of new medicines, and jeopardizing the health and safety of Americans.

- 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 policy that protects biotechnology innovation, including provisions that update intellectual property protections and agricultural market access to 21st century standards.
- Intellectual property protections are essential to a vibrant U.S. technology sector. Oppose the dangerous precedent that TRIPS waivers on vaccines represent.
- 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.







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Join BIOAction. Be a voice for innovative solutions to cure patients, protect our planet, and nourish humanity.

Now, more than ever before, advocates for biotechnology must lend their voice to the public policy debate. BIO works hard to do this every day, but we need your support.

Learn more about the important issues facing this sector and how to get involved below. Check out BIO's online tool for you to contact your federal or state public officials and share your views via e-mail, phone, or social media. To sign up text **BIOAction** to **52886** or visit **BIO.org/BIOAction**.

Arizona will become a
top-10 bioscience state.

We're working
to make this
vision a reality.

Join us!



AZBio.org/join

Arizona Bioindustry Association, Inc.
107 S Southgate Drive
Chandler, Arizona 85226
480-779-8101 | AZBio.org