

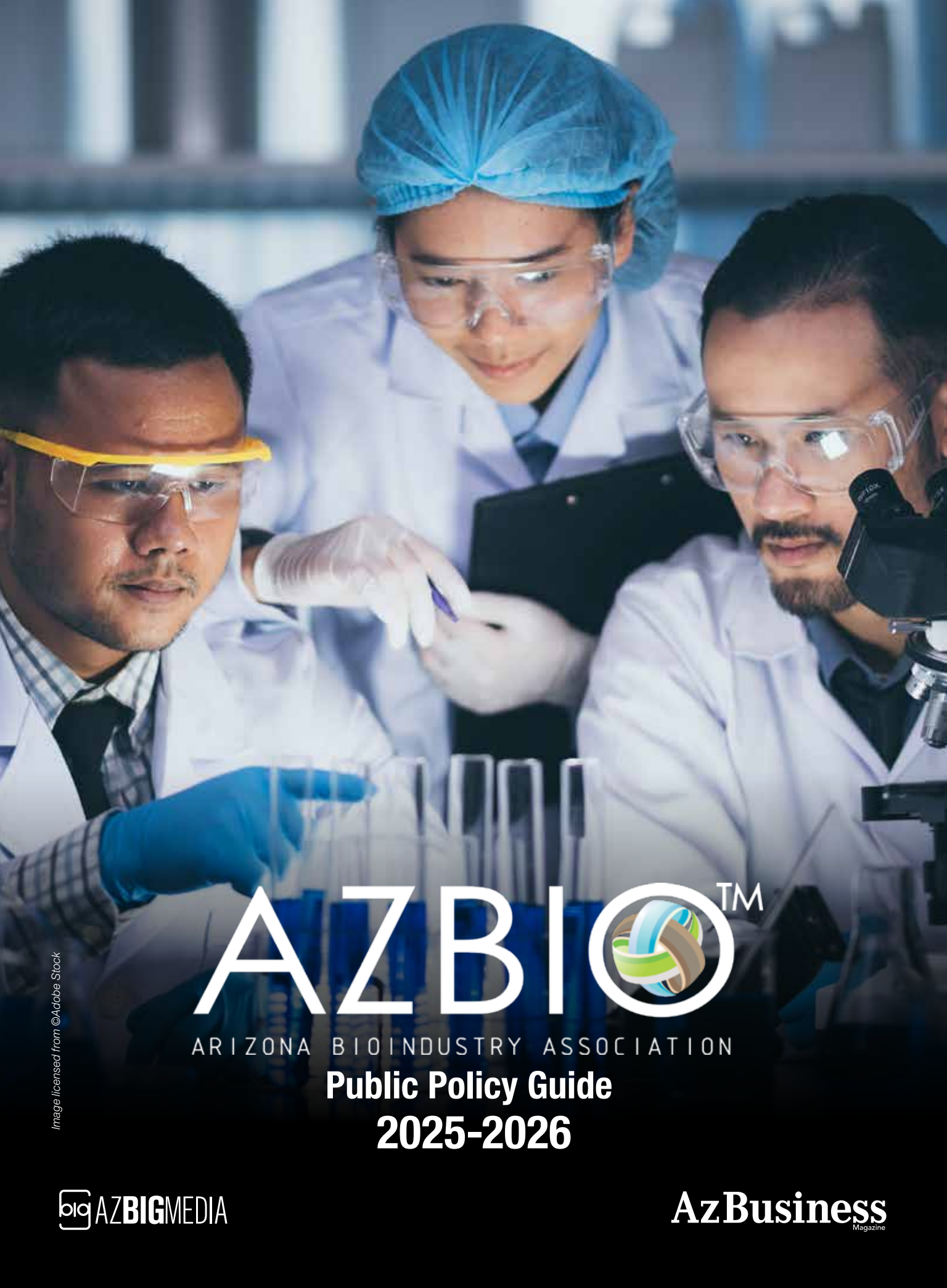


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# AZBIO™

ARIZONA BIOINDUSTRY ASSOCIATION

## Public Policy Guide 2025-2026

# 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 life science state.

## **Our Mission**

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

## **Our Focus**

Support innovation, grow opportunity, and serve patients.

## **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, 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 \$4.4 million dollars together in 2024.

## **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 life science state and we invite you to join us.

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

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## AZBio board members

### MARA G. ASPINALL

Founder, Health Catalysts; Partner, Illumina Ventures

### KIRAN AVANCHA, PHD, RPH, CCRP

Chief Innovation Officer, HonorHealth

### JENNIFER K. BARTON, PHD

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CEO, and founder, Aesthetics Biomedical

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Drug Developer/Patient Advocate

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Associate Director, Ideation, BD Peripheral Intervention

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Senior Engineering Manager | Product Design | Product Development, Medtronic

### CLAUDIA WHITEHEAD

Bioscience Healthcare Program Manager, City of Phoenix

### RUSS YELTON \*

President, Yelton and Associates

*\* Executive Committee*

## AZBio officers

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*SVP, Operations, CND Life Sciences, Inc.*

### TREASURER

Jeffrey Singleton

*Managing Director, Tax, EY*

### SECRETARY

Jeff Vallerga

*Vice President, Business Development Biotechnology Innovation Organization*

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Kristen Swingle

*President & Chief Operating Officer, Critical Path Institute (C-Path)*

### PRESIDENT & CEO

Joan Koerber-Walker, MBA

*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 SUPPORTERS**



**CHAIRMAN'S CIRCLE**



## LEADERSHIP SUPPORTERS



## 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](https://azbio.org/advocacy)**

# AZBIO

## PUBLIC POLICY GUIDE



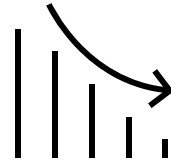
### Improving lives

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

**Goal: Double our economic impact by 2033.** One of Arizona's largest employment sectors, the life science industry includes over 3,652 firms, wages significantly higher than state averages, and an overall economic impact of over \$43.64 billion in 2023. 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. AZBio Member organizations employ over 365,000 Arizonans.



### 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 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 somewhere 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.

20 years ago, Arizonans committed to support TGen. This served as a catalyst for the growth we see today.

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 FY2022 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. An additional \$126 million was included in the FY2023 State Budget.

## Arizona Health Innovation Trust Fund

The Arizona Health Innovation Trust Fund was created in the 2022 legislative session and seeded with an initial \$100 thousand in the FY2023 State Budget. The Trust is administered by the Arizona State Treasurer’s Office (ASTO.) Once the funds in the Trust complete a 5-year maturation process, ASTO will distribute 4% of the 5-year average balance of the fund to a 501c3 nonprofit that is contracted with ASTO and meets the requirements of the statute.

AZAdvances, part of the Opportunity

Through Entrepreneurship Foundation, meets these requirements and is contracted by ASTO to serve these needs.

No funding for the trust was appropriated by the Legislature in the FY24, FY25, or FY26 budget cycle. It is critically important that Arizona makes additional investments into the fund in FY27 if we are to reach the \$200 million goal.

## AZAdvances

Based on a multi-year best practices study, AZBio and the Opportunity Through Entrepreneurship Foundation (OTEF) created AZAdvances, a nonprofit 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 self-supporting after achieving an initial capitalization of \$200 million into the Arizona Health Innovation Trust Fund. Until this level is reached, and has matured, \$10 million per year is needed to bridge the development gap and support moving Arizona discoveries into

the commercialization process. AZBio is seeking support for the AZAdvances initiative from both public funds and private donations.

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 \$38.54 billion dollars in 2021, and to over \$43.64 billion in 2023.

We are growing. However, we are not maximizing our potential. By the most accepted national metrics, Arizona ranks 14th in the number of firms, 21st in the number of life science employees, and 23rd in venture capital invested into bioscience companies in their state.

The State of Arizona, our community, and our national partners have an opportunity today and in the future to help Arizona become home to a top-ten health innovation sector.

**Now is the time.**

|                | JOB    | FIRM  | AVG WAGE  | ECONOMIC IMPACT | VENTURE CAPITAL (2019-2023) |
|----------------|--------|-------|-----------|-----------------|-----------------------------|
| Arizona Rank   | 10     | 14    | 30        | 20              | 23                          |
| Arizona Metric | 40,399 | 3,652 | \$102,161 | \$43.64 B       | \$1.12 B                    |
| #10 State      | IN     | CO    | NY        | IN              | NC                          |
| #10 Metric     | 70,412 | 4,062 | \$138,139 | \$88.28 B       | \$4.42 B                    |

# AZBIO

## PUBLIC POLICY PRINCIPLES

AZBio serves 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** 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-ten bioscience state.**

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

**Work with public and private funding partners** to capitalize the Arizona Health Innovation Trust Fund and support AZAdvances.

**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** that create environments where all individuals are valued, respected, and have the resources to thrive in our educational systems, workforce, research & clinical trials programs, and healthcare delivery systems.



# PUBLIC POLICY:

## 2 sides of the same story

AZBio is the voice of Arizona's life science community. Our member organizations include patient organizations, educators, researchers, biotech and medtech companies, hospitals, utilities, economic developers, real estate developers and builders, financial services companies, law firms, and more. AZBio members employ over 365,000 Arizonans. Our datasets of economics impact and key workforce data extend back to 2012 and are regularly updated to provide both an Arizona perspective and how Arizona compares on the national stage. AZBio is in a unique position to help our elected leaders balance the needs of stakeholders in critical public policy discussions.

As we have seen in recent years, public policy decisions at the federal level can have a significant impact on what happens in the state.

- The Chips & Science Act was a contributing factor to Arizona being the site of the largest single foreign direct investment in history as TSMC committed to build one fab in Arizona that has now grown to three fabs.
- Changes in research direction, policies, and Agency appropriations at the federal level are having a direct impact

on the research programs that can be supported at Arizona universities, independent research centers like TGen, and at our leading hospitals.

- Changes in Medicaid funding and guidelines will impact Arizona patients, and Arizona healthcare providers as well as state and local governments.
- Mandated price negotiation under the IRA and now Most Favored Nations requirements are causing strategic investors (innovator companies), angel investors, and VCs to hold back on new investments.

**AZBio is committed to fostering constructive conversations** on how to lower health care costs while continuing to develop and deliver the health innovations people need today and in the future.

**These are examples of ways we can work together to build balanced solutions for complex issues.**

- The needs of seniors and end-of-life care are significant cost drivers. Focus on innovations that can improve quality of life while reducing cost including home health, telehealth, enhanced senior living options, and hospice care.
- It is best to focus on reducing the total cost of patient

care rather than focusing on individual components of the healthcare ecosystem in isolation. Deconstruct and redesign the current healthcare value chain to enhance price/fee transparency of each component. The current system of wholesale costs and multi-tiered rebates is broken. Each price point or fee should be visible cross the value chain.

- Revisit the concept of patient copays. The current system results in poor adherence and higher hospitalizations and healthcare spending.
- Protect our healthcare delivery system. Shortages of doctors, nurses and other health professions is reaching epidemic proportion. Our nation is seeing the rise of “healthcare deserts” where people do not have access to care. Understand and address how the ASP+6 healthcare reimbursement will affect healthcare delivery partners when the cost of Part B medicines is dramatically reduced.

Other examples of complex issues that benefit from federal and state collaboration could be:

The **340B Drug Pricing Program** due to concerns regarding oversight, transparency, and the distribution of savings.

**Cyber Security and AI** are hot topics at home, in businesses, and in the halls of government. Protecting personal information and ensuring that bad actors do not compromise the safety and effectiveness of our medical technologies and patient data are top priorities.

## STATE PUBLIC POLICY PRIORITIES FOR PATIENTS

The **Arizona Rare Disease Advisory Council (RDAC)** was established when HB 2380 was signed into law in 2025. AZBio commends our elected leaders for creating the RDAC and commits to supporting the council in their important work in support of the unique needs of

patients in Arizona’s rare disease community.

• **340B Drug Pricing Program:** The 340B Drug Pricing Program was established by Congress in 1992. This federal program was created to expand access to affordable prescription medications and healthcare services for low-income and uninsured patients. The program has expanded significantly in recent years. Congress is considering proposals for reform due to concerns regarding oversight, transparency, and the distribution of savings. There have been multiple Congressional hearings, working groups, reports, and proposed pieces of legislation in recent years. As Congress continues its work, AZBio believes that any new legislation in Arizona regarding 340B is premature and should be deferred until Congress has completed its work.

• **Access to Treatments:** Arizona has led the way in protecting patients from policies created by Payors to restrict or delay access to medicines or other treatments as a way to attempt to reduce costs. Examples of Arizona policies that protect patients include laws relating to biomarker testing, biosimilar access, step therapy guidelines, prior authorizations, and copay accumulators.

• **Copay maximizer programs** enable insurance companies to “maximize” available manufacturer-supplied copay cards and minimize patient out of pocket costs (OOP) until copay funds expire or are exhausted. As with copay accumulator programs, copay maximizer programs do not count copay assistance from manufactures or other patient assistance programs toward the patient’s deductible, so although the patient may have no financial burden related to the drug, there may still be significant OOP implications for paying for other health care services. Patients need this fixed

• **Alternative Funding Programs (AFPs)** AFPs are typically used by “self-funded” employer plans seeking to shift costs of specialty medications away from the insurance plan and employer. AFPs carve out all specialty medications as “nonessential”; therefore, patients do not have coverage

Shortages of doctors, nurses and other health professions is reaching epidemic proportion. Our nation is seeing the rise of “healthcare deserts” where people do not have access to care.

for specialty drugs under their insurance benefits. In these cases, patients appear to be underinsured instead of uninsured because they have prescription coverage, but it excludes specialty drugs specified by the AFP. Patients are then required to either pay the full cost of the medication or use a third-party “advocate” administrator program that seeks to obtain free medication most often through patient assistance programs. This practice is confusing for patients.

- **The AHCCCS Pharmacy & Therapeutics Committee** (P&T Committee) advises AHCCCS Administration in its responsibility 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. Currently P&T Committee meetings are open to public comment but industry-related input or even clarification of data presented in a meeting is restricted. A more inclusive process will better serve the needs of both patients and medical professionals.

- **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.

- **Biomarker Testing in Arizona:** When Arizona signed HB2144 *health insurance coverage; biomarker testing* into law in 2022, it led the nation in this key area. Arizona has the opportunity to build on this success by reviewing with stakeholders how we can continue to make patient care a priority and improve on the current regulations/processes that support the legislative intent of HB2144.

- **Multi-cancer screenings and tests:** Congress is currently working on legislation to make these tests available

and covered for the Medicare population. When this happens, Arizona can lead by making these tests available to all Arizonans as supported by the Standard of Care. 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.

- **Non-medical switching** is the practice of forcing stable patients to switch from their current, effective medications to 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. This change would benefit patients keeping the decision where it belongs - with the patient and the prescriber.

- **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. 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** 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 Arizona’s telemedicine laws at state and local levels and facilitating expansion of a robust statewide telehealth ecosystem and improving broadband coverage especially in rural communities.

**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.**

## FOR EDUCATION and WORKFORCE

- **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 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.

- **Artificial Intelligence (AI):** Education and workforce strategies are needed to help Arizonans navigate changing career paths. The growing application of AI enabled technologies will eliminate some career paths and create new ones. This will be essential for preparing K-20 students for future careers, and for training or re-careering displaced members of the workforce.

## FOR ECONOMIC DEVELOPMENT AND GROWTH

- **The Arizona Health Innovation Trust Fund** (A.R.S. 41-177) is designed to accelerate the growth of Arizona's life science sector. The trust fund (AHIT for short) is managed and invested by ASTO with the State Treasurer serving as trustee. The goal is to build the trust fund, through public and private contributions, until it reaches a fund balance of \$200 million. At that time, the call for contributions will cease and the fund will continue to grow through ASTO investment activity in perpetuity. AZBio supports developing new funding mechanisms to fully capitalize AHIT and accelerate the growth of life science companies and jobs.

- **AHIT Helps Bridge Arizona's Funding Gap:** While the growth of Arizona's life science sector has been significant since 2002, Arizona is not realizing its full potential and lags behind other high growth states in the number of jobs and the amount of venture capital investments. 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 that Arizona competes with for company attraction and company retention.

### • BIO Venture Capital 2019-2023 in States Arizona Competes with for Economic Development

| AZ      | CO      | FL      | MD      | MN      |
|---------|---------|---------|---------|---------|
| \$1.1 B | \$5.2 B | \$4.3 B | \$4.4 B | \$3.0 B |

| NC      | TN      | UT      | TX      | WA      |
|---------|---------|---------|---------|---------|
| \$4.4 B | \$8.7 B | \$2.8 B | \$8.7 B | \$7.0 B |

The two largest states for life science venture capital are CA at \$104.6 billion and MA at \$58.7 billion.

The Opportunity Through Entrepreneurship Foundation's AZAdvances initiative has been specifically designed to address this challenge and to provide a steady and sustained stream of early stage capital. OTEF's contract to receive the distributions from the Arizona Health Innovation Trust Fund was approved by the State Board of Investment in 2022. OTEF reports progress annually as required by statute.

Public support is essential to realize the dual benefit of increased economic development and health innovations. It also helps to support OTEF's nonprofit public charity status which encourages private sector contributions and is required by the AHIT statute.

- **Arizona's Research & Development Tax Credit** has a long history of success. The Federal R&D Tax Credit is now permanent. This is an opportunity for Arizona to make its R&D tax credit permanent also as we continue to encourage companies to invest their R&D monies in Arizona.

- **"Stranded" R&D Tax Credits** are a resource that Arizona could leverage to fund priorities like the Arizona Health Innovation Trust Fund, investments in transportation infrastructure, workforce development, water infrastructure, or other public priorities. "Stranded" R&D Tax Credits are created when a company has more R&D tax credits than they are able to use.

- **Expand Angel Investment:** The Angel Investment Tax Credit encourages Arizona investors to invest in Arizona companies so they can grow. Currently, the \$2.5 million in tax credits is usually fully utilized within the first half of the year. The program sunsets in 2031. Expansion of this program can result in more companies receiving investments, which can further increase the positive economic impact of Arizona's life science sector.

- **Expand Arizona's Clean Room Incentives to include all industries.** Currently, tangible personal property used in cleanrooms for manufacturing or R&D of semiconductor products is exempt from TPT and Use Tax. In 2025, SB 1539 sought to extend this exemption to cleanrooms in any industry involved in manufacturing or R&D. The cost of the incentive is an investment by the state that results in increased research and manufacturing activity, facilities development, and job creation. These factors will more than compensate the state for this incentive investment.

## FOR HEALTHCARE and PUBLIC HEALTH

- **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, workforce, and innovation specifically designed to benefit the people of Arizona.
- **Create Health Information Exchange:** Support the creation of a nonprofit health information organization designated by the Department of Health Services as Arizona's official health information exchange.
- **Expand our healthcare workforce:** Based on data from Health Resources and Services Administration (HRSA), Arizona needs about 600 more primary care physician now, and is estimated it will need 2,000 more by 2030. Arizona also has a nursing shortage of almost 30,000 now and the demand will continue to grow. These are just two of the many health careers that we need to promote and support. Strategies to meet these needs include additional funding for healthcare education programs at Arizona's community

colleges and universities; increasing funding for Graduate Medical Education (GME); and developing apprenticeship programs where we have health workforce shortages.

- **Support public health experts** in the use evidence and science-based methodologies and information that is peer-reviewed or accepted scientific consensus in making public health decisions. Provide AZDHS with funding to support an information campaign that counters the wide range of health disinformation that bombards Arizonans.
- **Work to ensure prevention and reduction of diseases** in Arizona by maintaining standards for vaccinations and not making changes to statute that could further aggravate Arizona's declining childhood vaccination rates. The percentage of parents opting out of vaccinations for their children through personal belief exemptions has increased, reaching 9% in the 2024-2025 school year. This trend is both a health challenge and an economic issue. The 2025 measles outbreak in Texas has already cost Texas taxpayers over \$4.5 million, with a significant number of hospitalizations.
- **Cybersecurity and the impacts of data breaches cross all industries.** Data breaches are extremely concerning in the Healthcare sector as data can include both personal information and health histories. Enact responsible state and local laws and regulations that promote cyber awareness, education, and preparedness for Arizona's private and public sectors, and offer cyber resources and training for SMBs to help alleviate financial barriers to cybersecurity improvements.
- **We can protect privacy without hampering health innovation.** The healthcare and health research space are already heavily regulated by HIPAA and the national standards for protecting sensitive patient health

The percentage of parents opting out of vaccinations for their children through personal belief exemptions has increased, reaching 9% in the 2024-2025 school year. This trend is both a health challenge and an economic issue.

information. HIPAA and other federal statutes and regulations aim to ensure the portability of health insurance and protect the confidentiality and security of healthcare information. Any bills proposed to address privacy concerns should exempt health research operations, laboratories, medical technologies, clinical trials, and other parts of the health innovation ecosystem that are already subject to federal privacy laws and regulations.

## FEDERAL PUBLIC POLICY PRIORITIES

Congress structured 21st Century Cures around a focus on Discovery, Development, and Delivery. AZBio's public policy priorities follow these important areas of focus and are offered as ways to ensure that our country continues to lead the world in medical innovation.

### DISCOVERY

- **Maintain funding** at the NIH, NSF, DOD, and other federal programs that supports both basic research and translational science within the agencies and with extramural research partners, including under the SBIR/STTR program. Ensure funding is sufficient to maintain and grow our dominant position.

- **Revisit the policy of capping indirect costs**, also known F&A costs, at 15%. The current policy underestimates the significant costs to maintain shared infrastructure that spans multiple research projects. Instead consider reevaluating the guidelines of what should be included in F&A and what should be included as direct costs.

### DEVELOPMENT

- **Work 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. **Honor the Congressional intent of the Bayh Dole Act.**

- Provisions in the **Inflation Reduction Act (IRA)**, and now **MFN requirements**, are discouraging essential investment into our innovative small businesses. Work with policy makers to buffer the impact of this

unintended consequence and develop a strategy that supports patients and fair global commerce.

- Arizona has created the legal framework of the **Arizona Health Innovation Trust Fund** to create a perpetual funding source for future Arizona-based health innovations. Work with our Congressional delegation to explore how to support the State's efforts to capitalize the trust fund.

### 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.

- Pricing and tax provisions in the IRA, which are intended to be pay-fors, may increase overall healthcare costs and delay or prevent the development of treatments and cures that patients are waiting for. Work with our elected leaders on alternate solutions that improve patient care and can reduce healthcare spending.

- 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.

- In 2022, Arizona passed HB2144 which provides mandatory insurance coverage of biomarker tests designed to detect disease and direct the most effective patient care. Arizona's leadership regarding the health insurance plans it has authority to regulate can become a national best practice model for federally regulated healthcare plans.

# Arizona Bioscience Week



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**Arizona Bioscience Week is just one example of how AZBio raises awareness of the value created by Arizona's life science sector. We keep you connected every week via In The Loop, by telling your story on AZBio.org, and with AZBio's media partners.**