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Testimony Presented to the
Insurance and Real Estate Committee of the Connecticut General Assembly

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Paul R. Pescatello, JD, PhD

S.B. No. 21
An Act Concerning Health Insurance Coverage of Abuse-Deterrent Opioid Analgesics

Good afternoon Senator Crisco, Representative Megna, Senator Hartley, Representative Zoni , Senator Kelly, Representative Sampson, members of the Insurance and Real Estate Committee.

I'm Paul Pescatello, here today as Chair of the Connecticut Bioscience Growth Council.

I am also President/CEO of the New England Biotechnology Association and Chair of We Work for Health Connecticut.

The Connecticut Bioscience Growth Council is a committee of the Connecticut Business and Industry Association's biotech and biopharma members.

The Bioscience Growth Council was formed as a means to foster collaboration both among Connecticut biotech and biopharma companies themselves and, just as importantly, *with* our state. As you know, Connecticut – *this* General Assembly – has chosen wisely to invest in the life sciences as a foundation for Connecticut's 21st century economy and as a means to create a broad spectrum of jobs.

The strides we have made in regenerative medicine and stem cell research, and the research and economic development already being accomplished by Jackson Labs, names only a few of the dividends generated by this Connecticut investment.

I am here today to ask you to make Connecticut a leader in helping patients combat chronic pain and, at the same time, dramatically reduce the risk of opioid addiction and abuse. By doing so you will also help lower the overall cost of healthcare.

I am here to speak in support of Senate Bill No. 21, legislation that recognizes the value of life-saving abuse deterrent opioid medicines. Our support is founded first and foremost on the benefits abuse deterrent opioids provide for patients. But it is also based on our analysis that abuse deterrent opioids will reduce healthcare costs.

Opioids – medicines, like morphine, that bind to opioid receptors in the brain – are remarkable in how effective they are at reducing pain. They enable patients to lead a full life and participate fully in the workforce.

Opioids can, however, be abused and become addictive. We are all only too aware of the statistics. Each year nearly 16,000 deaths and almost 500,000 hospital emergency room visits are attributable to opioids.

Much attention has been focused on the biopharma industry as to what it could do to help stem the tide of opioid misuse.

The industry has responded. Billions of dollars have been poured into research and billions more into clinical development.

A breakthrough innovation class of medicines has been created – abuse deterrent opioids. Abuse deterrent opioids work in various novel ways to deliver effective pain relief while blocking methods for abuse. Some are physical or chemical barriers; others add compounds to interfere with euphoric effects. The bottom line is that a problem has been faced, dealt with and the solution works.

The cost of these new abuse deterrent opioids reflects the huge research and development investment that went into bringing them from concept to FDA-approved product. They are, therefore, initially more expensive than the crushable, injectable non-abuse deterrent medicines they improve upon.

But an array of abuse deterrent opioids are coming on the market. We believe the sheer number of biotechs and biopharmas with new abuse deterrent opioids in late stage development, that will soon find their way to pharmacy shelves, will have a positive, which is to say, downward, effect on prices.

Despite the marginally higher cost of the complex formulations that constitute abuse deterrent opioids, what studies have been done so far indicate that they will bring substantial cost savings to the overall healthcare system. These studies show a 41% decrease in opioid abuse among all individuals. In addition, healthcare costs are shown to decrease by approximately $10,000 per patient for opioid-abuse related services. The cost of hospitalizations, substance abuse treatment services, emergency department visits and outpatient visits – all decrease substantially with the introduction of abuse deterrent opioids.

I would underscore that abuse deterrent opioids reflect and will impact only about 10 % of the opioid market. This is because they are safer replacements for long-acting/slow release opioids – opioids used for chronic pain. They are not replacements for short-acting, short-term use opioids – the kind used, for example, with dental procedures.

Finally, I would note the Food and Drug Administration guidelines applicable to the labeling of abuse deterrent opioids. These guidelines provide that in order to claim abuse deterrent qualities in an opioid medicine, the medicine must actually have a measurable impact on abuse in patients. Since release of that FDA guidance, study data has been submitted for four new abuse deterrent opioid medicines and, based on the findings in those studies, the medicines have received FDA approval for labels indicating the medicines are expected to "result in a meaningful reduction in abuse."

We as a state should be proud of how an industry we hope will be a driver of our 21st century economy has responded to address a problem, marshalling our core standout strength – innovation – to create a cost-effective solution.

I hope you will support Senate Bill No. 21.

I would be happy to answer any questions you may have or expand upon any points made in my testimony.

Thank you.