The Honorable Senator Tina Smith  
United States Senate  
720 Hart Senate Office Building  
Washington, DC 20510

July 18, 2019

Subject: S. 1140, The “Protecting Access to Biosimilars Act of 2019”

Dear Senator Smith,

On behalf of the California Public Employees’ Retirement System (CalPERS), I write to express support for S. 1140, the “Protecting Access to Biosimilars Act of 2019,” legislation that ensures older products that are now regulated as biologics cannot receive the 12-year patent exclusivity granted to newly licensed biologic products by the Food and Drug Administration.

CalPERS is the largest purchaser of public employee health benefits in California, and second largest purchaser in the nation, after the federal government. We purchase health benefits for approximately 1.5 million active and retired state, local government, and school employees and their family members. In 2019, CalPERS expects to spend more than $9 billion to provide health benefits to our members. Of this expected $9 billion spend, $2 billion will be for outpatient prescription drugs alone.

Our experience has found that the use of generics, biosimilars, and evidence-based pharmacy benefit management strategies are critical to staying ahead of increasing prescription drug cost trends. Once interchangeable products, like insulin, are approved and available on the market, they can then be substituted for reference products at the pharmacy, potentially leading to increased access and lower costs for patients. To that end, CalPERS advocates for legislative efforts to end anticompetitive practices used by some companies to block or delay the market entry of lower-cost generic drugs and biosimilars. Proposals like the Protecting Access to Biosimilars Act of 2019, that expand the use of the biosimilar pathway, further assist our organization with its strategic goal to improve health care affordability.

I applaud you for your leadership on this measure and for your bipartisan approach to preserving access to affordable prescription drugs.
Please do not hesitate to contact me directly at (916) 795-3818, or your staff can contact Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance as this measure proceeds.

Sincerely,

Marcie Frost
Chief Executive Officer