The Honorable Senator Amy Klobuchar  
United States Senate  
425 Dirksen Senate Office Building  
Washington, DC 20510

July 8, 2019

Subject: S. 64, The “Preserve Access to Affordable Generics and Biosimilars Act”

Dear Senator Klobuchar,

On behalf of the California Public Employees’ Retirement System (CalPERS), I write to express support for S. 64, the “Preserve Access to Affordable Generics and Biosimilars Act,” legislation that would prohibit brand name drug companies from compensating generic drug companies to delay the entry of a generic drug into the market, and to prohibit biological product manufacturers from compensating biosimilar and interchangeable companies to delay the entry of biosimilar biological products and interchangeable biological products.

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.

Prescription drugs play an increasingly important role in the health and well-being of our members and their families. Along with advocating for initiatives that decrease the cost of prescription drugs and that support the development of a clear, efficient and timely regulatory pathway for biosimilars and interchangeable biologics, CalPERS advocates for legislative efforts to end anticompetitive arrangements used by some brand-name and biological companies to block or delay the market entry of lower-cost generic drugs. Proposals like S. 64, that eliminate these type of “pay-for-delay” agreements between brand-name drug manufacturers and generic drug manufacturers, further assist our organization with its strategic goal of transforming healthcare purchasing and delivery to achieve 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