

## 2018 Life Sciences Pennsylvania Gubernatorial Candidate Questionnaire

1. Access and Affordability: It can take more than 10 years and \$2 billion to bring a new, life-saving medicine to market. Even though prescription medicines account for only 10-14 percent of total healthcare costs, public policy stakeholders have increased their focus on prescription drug pricing/transparency.

• *What measures do you anticipate your Administration will implement or advocate with respect to Pennsylvania's role as a prescription drug purchaser or regulator?*

The research and development currently occurring in the pharmaceutical world is extremely important and should be supported. Many smaller start-up companies are spearheading this research and development and need investment from the larger pharmaceutical companies to continue and advance that research and development. It has been estimated that pharmaceutical companies spend 20-25% of their gross revenues on research and development. To ensure that those funds are accessible for important research there must be global transparency in regards to pricing and costs throughout the entire supply chain. Our citizens and taxpayers should not be saddled with overpaying. In June, Auditor General Eugene DePasquale began an review of Pharmacy Benefit Management practices within our Medicaid program. As Governor, I will use the final conclusions from that report to ensure Pennsylvania is not overpaying and will push forward with policies to ensure there is global transparency in regards to pricing.

2. Positioning Pennsylvania: Pennsylvania's life sciences industry is a major component of the Commonwealth's economy, providing a direct economic impact of \$48.8 billion. However, the Commonwealth faces stiff competition from neighboring states and other countries looking to attract highly-skilled and high-paying jobs.

• *How will you position Pennsylvania in this competitive market, and what can the Commonwealth do to better market the state as an ideal place to start, grow and maintain a life sciences company?*

In my plan, "Empowering Pennsylvania's Economy," which I have enclosed for review, I set out a comprehensive plan to enable Pennsylvania to become an economic powerhouse. My plans include: reducing Pennsylvania's current crushing regulatory system; creating a better business climate to expand our economy; ending state and local bureaucratic interference styming growth; harnessing economic opportunities to advance job creation; meeting employer need by developing a highly skilled workforce; and guaranteeing maximum growth by investing in Pennsylvania infrastructure. As Governor, I will work with all of our agencies and our General Assembly, striving to

implement favorable policies which will lead to long term economic growth and prosperity for Pennsylvania.

**3. Budget/Tax Items and Economic Development: Following-up on the previous question – the**

Research and Development Tax, Life Sciences Greenhouses, Ben Franklin Technology Partners and CURE Funding, are all critical components to attract and develop existing new and existing life sciences companies to Pennsylvania. However, the Commonwealth has the second-highest corporate net income tax rate in the country.

*• Do you support the continued use of these, and similar, incentives to spur innovation in the life sciences? Additionally, recently enacted Federal Tax Reform is anticipated to swell state Corporate Net Income Tax collections. How will your Administration change the tax policy in the state to attract new investment in Pennsylvania?*

I support lowering our current punishing Corporate Net Income Tax. As Governor, I will immediately lower and then continue to phase down the CNIT. Doing so will make us competitive against other states in attracting new business, raise wages for Pennsylvania workers, and propel forward the long term economic growth Pennsylvania deserves. A balanced approach in how we tax the businesses that support the economy of Pennsylvania and provide jobs to our citizens is non-negotiable. This goes to a fundamental problem I plan to tackle as Governor – a top down reform of our tax code. Our current tax code has been written by lobbyists, lawyers, and consultants. It is past time that our tax code benefit our citizens and our businesses. Equal treatment through the tax reform act at the federal level is a great example of the type of parity we should see for pass throughs at the federal level. I will be a Governor who looks for every opportunity to help our businesses through reforming our tax code.

4. Patient Awareness: There are approximately 1.2 million rare disease patients in Pennsylvania. In 2017, the Rare Disease Advisory Council was established to raise awareness of rare diseases and ensure their patients have access to health care coverage.

*• Are there other initiatives that the Commonwealth can undertake to provide patients with the support system and access to health coverage they need?*

As Governor I will support of expansion and use of Telemedicine. As use of Telemedicine has grown, it has been shown to improve access to care in rural areas, has further lead to an increase in the efficiency of health care providers, and has also helped decrease healthcare costs. To ensure everyone has access to this meaningful health resource, I will expand broadband access across the Commonwealth. I will

further work with the General Assembly for implementation of a statutory framework which will ensure legal guidelines are in place to protect patients accessing those services, set forth specifics in regard to care and payment, and also remove any existing administrative barriers to access.