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June 17, 2008

The Honorable Sheila Kuehl
Chair – Senate Health Committee
State Capitol, Room 5108
Sacramento, CA 95814

RE: Assembly Bill 501 (Swanson)
CHI Position:

Dear Chairwoman Kuehl:

On behalf of the California Healthcare Institute (CHI), whose more than 250 members include our state's premier life sciences companies and academic research institutions, I am writing to express our opposition to AB 501 – legislation that would require a pharmaceutical manufacturer whose product is administered for home use through a prefilled syringe, pen or other injection device to provide patients with either a postage-prepaid mail back sharps container or a sharps container for the safe storage of and transport to a sharps consolidation location. Recent amendments would also allow a manufacturer to provide consumers with a coupon that can be exchanged for, or a toll-free number or website that can direct the patient to a supplier of, a qualified sharps container.

AB 501 will not fully address the problem of syringe disposal, and places an unfair burden on manufacturers who sell their life saving medical technologies in California. Currently, state law requires that, by September 1, 2008, consumers properly dispose of needles, including the products addressed by this legislation. That law places the burden on the consumer to comply with the law and ensure the safety of their families, neighbors and communities. Hazardous waste sites are currently listed on the California Department of Public Health website. It is counterintuitive to believe that individuals who choose not to comply with that law will alter their behavior because another law is on the books. In addition, AB 501 fails to address the disposal of regular syringes, containing needles, that are bought to administer medication in vials and sharps that are being used illegally and/or without a prescription. This legislation will add an additional statute that regulates consumers without addressing the problem as a whole and without ensuring any additional safety for the community.

Supporters of the bill have not thought about the additional costs associated with implementing such a program and how those will be passed down to consumers. These new amendments will drive up the cost of medicine, costing manufacturers millions of dollars for postage, sharps containers, or other coupons, telephone systems and websites. A state specific notice requirement fails to consider that manufacturers are producing

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products for a global market and would create a significant burden by requiring companies to alter their packaging and labeling lines. Additional cost and access issues arise as manufacturers must notify, and potentially wait for approval by, the U.S. Food and Drug Administration of any labeling and packaging changes to their product.

CHI and our members are committed to making new treatments and cures available to those in need in California. We feel this legislation is unnecessary and burdensome for manufacturers and patients in the state. We look forward to further dialogue with you on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Pizarro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sandra Pizarro
Vice President – State Government Relations