



“The Future of the ACA and Health Care”

**Dean J. Paranicas
President and Chief Executive Officer
HealthCare Institute of New Jersey (HINJ)**

Wednesday, February 22, 2017



HINJ



- Trade association for research-based life sciences companies
- 27 members, including many of the world's largest biopharmaceutical and medical technology companies
- Represents the life sciences in Washington and Trenton
- Advocacy organization promoting patient access, innovation and industry-NJ economic synergy

Life Sciences' New Jersey Presence

“Medicine Chest of the World”

- **#3** New Jersey/New York rank on GEN's 2016 Top 10 U.S. Biopharma Clusters List
- **3,000+** Life Sciences Establishments
- **13** of World's Top 20 Biopharmaceutical Companies
- **12** of World's Top 20 Med Tech Companies
- **Industry Nerve Center** — Global, North American or U.S. HQs or Significant Presence
- **400+** biotechnology companies

HINJ.org/life-sciences-new-jersey/by-the-numbers

Biopharmaceutical Sector's NJ Economic Impact

- **\$47.5 billion** direct economic impact in 2014
- **\$61.2 billion** indirect economic activity in 2014
- **\$108.7 billion** total economic output in 2014
(#2 behind California) — **19.9%** GDP in NJ

New Jersey Life Sciences Employment



- **78,447** total direct jobs
- **347,420** total indirect jobs

Total Employment: 425,867 Jobs

HINJ.org/life-sciences-new-jersey/by-the-numbers

Life Sciences' NJ Economic Impact

- **10.47 percent** NJ jobs estimated to relate, directly or indirectly, to biopharma and medical device sectors
- **333,836** estimated number of NJ households economically associated with the biopharma or medical device sectors
- **908,034** estimated number of New Jerseyans — **more than 1 in 10** — economically touched by the biopharmaceutical or medical device sectors

HINJ.org/life-sciences-new-jersey/by-the-numbers

Affordable Care Act (ACA) and the Life Sciences Industry

- Biopharmaceutical sector (PhRMA)...worked with the Obama Administration
- Medical Technology and Device sector (AdvaMed and MDMA)...opposed 2.3% medical device excise tax
- HINJ...supported ACA though opposed the inclusion of medical device excise tax

ACA...What Works for the Life Sciences Industry?

- Expanded patient access
- Coverage for pre-existing conditions
- Closed Medicare Part D's "donut hole"

ACA...What Has Not Worked for the Life Sciences Industry?

- Medical device excise tax (2.3% on revenue)
- Independent Payment Advisory Board (IPAB)
- Coverage cost-sharing (deductibles, co-pays, formularies) can impact effective patient/consumer access to medicines

How Might ACA Repeal, Replacement or Repair Impact the Life Sciences Industry?



House Leadership's 'Obamacare Repeal and Replace' Policy Brief

OBAMACARE REPEAL AND REPLACE
**Policy Brief
and Resources**

- Unveiled on February 16
- Legislation to be introduced following Presidents' Day break

An Overview: 'Obamacare Repeal and Replace' Policy Brief

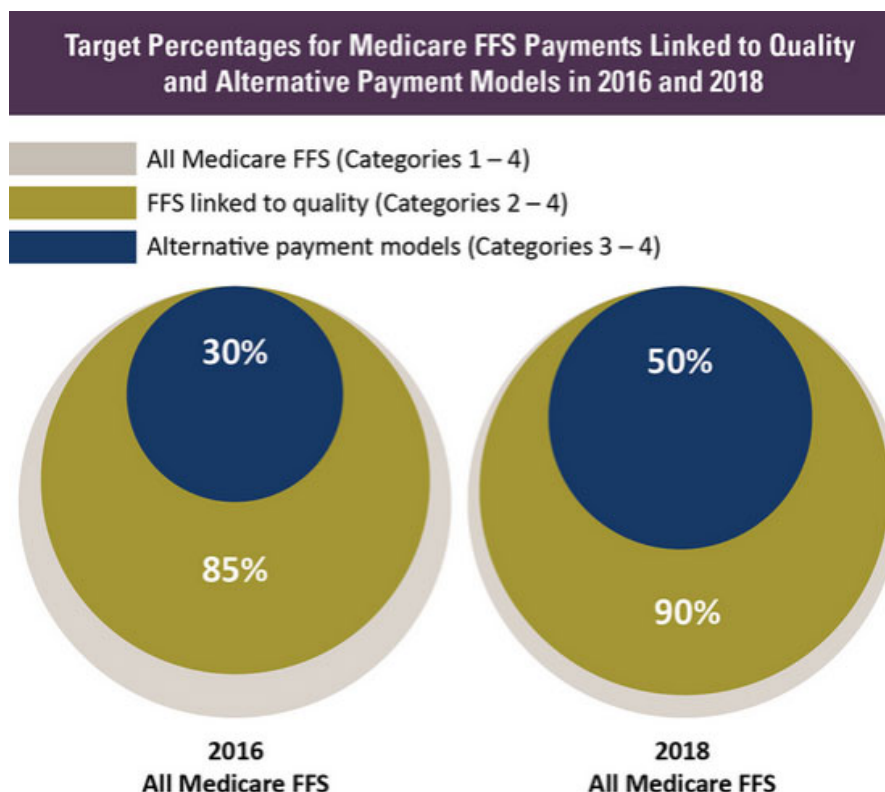
- Medicaid — phase out Obamacare's expanded coverage in 31 states
- Individual Mandate — end immediately
- Tax Credits — available for people not covered by employers or government agencies; higher for older people
- Obamacare Taxes — all or some would be repealed

An Overview: 'Obamacare Repeal and Replace' Policy Brief (cont'd.)

- Health Savings Accounts — people could contribute more than current annual limits
- High-Risk Pools — states provided money to help people with costly conditions to afford coverage
- Medicare — no changes proposed
- Costs — no cost estimates provided

ACA Overhaul: Impact on Outcomes-Based Reimbursement

- Some form of outcomes-based reimbursement likely to remain



Source: U.S. Department of Health and Human Services

ACA Overhaul: Impact on Outcomes-Based Reimbursement

- Patient prevention, wellness and out-patient monitoring initiatives important components
- Molecular diagnostics, monitoring and analytical products key tools
- Increasing development/utilization of precision/personalized medicines