Chairman of the Board JEFFREY J. ORAVITZ CEO, Seal for Life Industries and Arsenal Capital Partners

President
RYAN AUGSBURGER



Members of the House Public Health Policy Committee,

On behalf of The Ohio Manufacturers' Association (OMA), I appreciate the opportunity to submit written testimony in opposition to House Bill 92.

For more than 100 years, the OMA has served as a member-supported, member-driven advocacy organization dedicated to protecting and growing manufacturing in the great state of Ohio. Our members are committed to ensuring the highest standards of safety and quality in all aspects of production, and we believe HB 92 poses undue regulatory burdens and unnecessary risks that could undermine these standards.

Fragmented Regulatory Framework:

Fundamentally, HB 92 would create a state-by-state patchwork of laws governing the sale of manufactured products. Whether pharmaceuticals, cars, or frozen pizzas, a state-by-state system to govern pricing and supply would undermine competitive markets.

A fragmented business environment forces companies to navigate and comply with a complex array of different state laws, which increases operational costs and administrative burdens. This lack of uniformity hinders scalability and innovation, as businesses must constantly adjust their practices to meet varying state regulations.

OMA members with expertise in the pharmaceutical industry have highlighted below additional concerns and considerations.

<u>Compromised Supply Chain Integrity:</u> Importing drugs from Canada has the potential to compromise our closed pharmaceutical supply chain. This increased risk of substandard, adulterated, or counterfeit drugs infiltrating our market, threatening the health and safety of Ohioans. A secure supply chain is essential for ensuring the quality and reliability of pharmaceuticals.

<u>Uncertain Cost Savings:</u> There is no guarantee that this importation program will result in significant cost savings for patients. Moreover, the additional resources required to implement and maintain the program may negate any potential savings, making it an inefficient allocation of state resources.

<u>Canadian Opposition:</u> Canada has made it clear that they do not support this importation scheme. Their opposition could lead to supply issues and complicate international relations, further undermining the feasibility of the program.

Similar policies enacted in Florida highlight the potential pitfalls of such an initiative. Despite significant investment, Florida's drug importation program has stalled, plagued by delays and unfulfilled promises of cost savings. The vendor tasked with executing the program, Life Science Logistics, has yet to deliver, raising serious doubts about their ability to manage a similar program in Ohio.

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HB 92 introduces significant risks without clear benefits. It threatens the health and safety of Ohioans and the integrity of our pharmaceutical supply chain while offering dubious cost savings. We urge the Ohio House Public Health Policy Committee to reject HB 92.

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Sincerely,

James Lee

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