Testimony of

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Good afternoon Chairman Burgess, Ranking Member Green, and the Members of the Subcommittee:

My name is Anne Pritchett, Vice President, Policy and Research, at the Pharmaceutical Research and Manufacturers of America (PhRMA). PhRMA represents the country's leading innovative biopharmaceutical research companies, which are devoted to developing medicines that enable patients to live longer, healthier and more productive lives. Since 2000, PhRMA member companies have invested more than half a trillion dollars in the search for new treatments and cures, including $59.6 billion in 2015 alone.

I am pleased to appear before you to provide PhRMA's perspective on the importance of the Prescription Drug User Fee Act (PDUFA) and its timely reauthorization. As you know PhRMA served as industry's principal negotiators with FDA for the PDUFA VI agreement. Our members are committed to the research and development of new therapies that enable patients today to live longer, healthier and more productive lives and through a robust pipeline of more than 7,000 investigational medicines, providing patients with hope for the treatments and cures of tomorrow.

Today, I will briefly speak to PhRMA's perspective on the successes of the PDUFA program and key elements of the PDUFA VI agreement.

Perspectives on the Success of the PDUFA Program

In the midst of the HIV/AIDS crisis of the 1980s, the United States lagged behind other countries in the review and approval of new medicines. The FDA faced a significant backlog in the regulatory review of new drug applications and was unable to keep pace with the workload related to the human drug review program. An average FDA review time of approximately 29 months[i] meant that in many instances new medicines were approved in other countries, months or years before they were available in the United States. This unacceptable delay compelled the patient advocacy community to catalyze a nationwide demand for faster review of drug applications. As a result, the first PDUFA was passed in 1992, giving the FDA the additional resources needed – through the collection of user fees – to improve application review times.

For nearly twenty-five years, PDUFA has provided much needed resources to the FDA's human drug review program that has resulted in greater certainty and predictability for patients who depend on safe and effective innovative medicines. PDUFA VI builds upon the successes of previous PDUFA agreements with continued focus on ensuring patient safety, maintaining the FDA's high standards for regulatory review, and, ultimately, promoting timely access to safe and effective innovative medicines, including treatments for patients with rare, serious, or life-threatening diseases.

The PDUFA program has produced positive and tangible results that matter to patients, ensuring that FDA's review process for new medicines keeps pace with biopharmaceutical innovation:

- **FDA has approved over 1,500 new drugs and biologics** since 1992, including treatments for cancer, cardiovascular, neurological, infectious and rare diseases.[ii]

- **The number of new medicines being approved on their first review cycle is at a historic high**, including approvals for new medicines to treat rare diseases.[iii]
- **Review times for drug applications have dropped by nearly 55%.** The median approval time for standard applications has decreased from 22.1 months in 1993 to an estimated 10 months in 2015.[iv] The median approval time for priority applications has similarly decreased from 13.2 months in 1993 to an estimated 7.9 months in 2014.[v]

As a result of PDUFA, the "drug lag" between the United States and the rest of the world has been eliminated, and the United States leads the world in the introduction of new medicines without compromising FDA's appropriately high safety or efficacy standards. At a time when the economic competitiveness of our nation is recognized to be strongly rooted in our capacity to advance innovation-based industries, PDUFA VI is critical to providing the capabilities and efficiencies needed to encourage the significant R&D investments made by biopharmaceutical companies in the U.S.

Key Elements of PDUFA VI

The PDUFA VI agreement will help ensure the long-term stability of the user fee program, provide necessary resources and enhancements to FDA's human drug review program, and strengthen the scientific capabilities of the agency. Specifically, PDUFA VI will:

- Create efficiencies that can accelerate the development and availability of new medicines to patients, while providing greater predictability that will continue to foster biopharmaceutical innovation.

- Enhance the FDA's access to the tools, processes, and expertise necessary to keep pace with the latest scientific advances in drug development and regulation.

- Facilitate the systematic integration of the patient perspective into the development and regulatory review of innovative medicines.

- Ensure that FDA can hire and retain a strong scientific and medical workforce to advance its public health mission.

The PDUFA VI agreement strengthens pre-market review and post-market safety, enhances FDA's regulatory decision tools, and promotes financial accountability and capacity planning. We have identified some of the important provisions outlined in the agreement that will help to speed drug development, streamline the review process, and provide more options to innovative medicines for patients.

Improvements to Pre-Market Review and Post-Market Safety

As a focal point of PDUFA V, the New Molecular Entity (NME) Review Program has been very successful, as review times have been reduced, first cycle approvals have increased and the predictability for sponsors and patients has been strengthened through enhanced communication during the review period. PDUFA VI not only continues the NME Review Program, but will also build upon it by incorporating additional metrics to enhance the drug

review and approval process. As part of the review, FDA will provide a timeline for drug scheduling recommendations during the pre-submission meeting and updates on these activities during the Mid- and Late-cycle Review meetings. In addition, FDA will update the Good Review Management Principles and Practices (GRMPs) guidance to include review activities not currently associated with specific PDUFA goals.

Under the PDUFA program, FDA and industry have worked together to ensure that meetings during the drug development phase are as efficient, substantive, and timely as possible. PDUFA VI will provide additional time for FDA's review of meeting materials for Type B and Type C meetings, while also providing sponsors with responses to their questions 5 days in advance for scheduled meetings. These changes will lead to more substantive engagements between FDA and sponsors and reduce the need for multiple meetings. This will allow for drug development programs to proceed in a timelier manner and expedite availability to new medicines for patients.

As a cornerstone of the PDUFA V agreement, the breakthrough therapy program has been a profound success. The response to the program has been remarkable—a sign of the swift pace of new scientific advances—and substantially more resource intensive for FDA to manage than anticipated. No additional resources were provided for this function in PDUFA V. PDUFA VI will dedicate significant new resources to the program to ensure that the workload is manageable and patients continue to gain expedited access to treatments for serious and life-threatening diseases that are currently without adequate treatment options.

The PDUFA program dedicates substantial resources to help ensure the safety of medicines when they are on the market. PDUFA VI will expand these efforts by providing significant resources to enhance the FDA's ability to review, track, and communicate important post-market safety information to patients, physicians, industry, and key stakeholders.

Enhancing FDA's Regulatory Decision-making Tools

Patients and patient advocates played an important role in the PDUFA VI reauthorization process by providing input on potential PDUFA VI goals through formal stakeholder meetings with the agency and frequent interactions with industry. Patient group feedback is reflected throughout the PDUFA VI agreement. In particular, two provisions bring the patient voice directly into the development and review process:

- PDUFA VI will strengthen the FDA's capacity and capability to advance the science of patient input in the drug development and regulatory review process, including the use of patient-reported outcomes measures.
- Over the course of PDUFA VI, FDA will conduct a series of public workshops to gather stakeholder input to inform several guidances related to patient-focused drug development, the use of patient-reported outcomes, and the structured assessment of the benefits and risks of new medicines. Facilitating the development and application of scientific methods that incorporate the patient perspective into drug development will help ensure that medicines better reflect measures that are meaningful to patients.

PDUFA VI will also help facilitate the appropriate use of innovative clinical trials designs, including convening a workshop, publishing draft guidance, and conducting a voluntary pilot

program. Innovative clinical trial approaches have the potential to enhance the efficiency of the drug development and regulatory review process, and help accelerate patient access to safe and effective new medicines.

"Model-informed drug development" and related statistical and modeling approaches have the potential to accelerate the development and availability of innovative medicines. PDUFA VI will establish processes to allow for the use of model-informed drug development to help reduce drug development and review times to make the interpretation of data more efficient while protecting patient safety.

PDUFA VI will increase staff capacity and resources for the qualification of biomarkers, including piloting approaches to engaging external experts in FDA's qualification process. As biomarker science has been progressing faster than regulatory acceptance, it is important that we shorten the time between biomarker discovery and assimilation into practice. A number of aspects of PDUFA VI seek to address this:

- FDA will hold a public workshop on biomarker qualification and publish guidance documents to provide all stakeholders, including academia, patient groups and biopharmaceutical companies, with further clarity on the data necessary to qualify a biomarker.
- A dedicated process will be created for scientific consultation between the Agency and sponsors for drug development programs that plan to use a biomarker as a novel surrogate endpoint.

Real-world evidence provides a valuable source of information about the safety and effectiveness of a medicine in a broader population beyond that studied in clinical trials. Advancing the science of using real-world evidence in regulatory decision-making, including studies based on electronic medical records and patient registries may accelerate the clinical development of additional uses for a medicine as well as the assessment of the benefits and risks of medicines. PDUFA VI will advance the potential use of real-world evidence for regulatory decision-making through public workshops with key stakeholders, pilot studies with sponsors, and the publication of guidance on how real-world evidence can contribute to the assessment of the safety and effectiveness of medicines.

Promoting Financial Accountability and Capacity Planning

The PDUFA VI agreement supports common sense financial reforms that provide greater predictability for the Agency. These reforms include reducing FDA's administrative burden and operating expenses for the PDUFA program without compromising the human drug review program performance, regulatory review standards, or patient safety. PDUFA VI reallocates the fee collection structure of the program, eliminating the establishment fee and providing more revenue through approved products, which enhances predictability, improves strategic planning, and provides better management of Agency resources.

PDUFA VI modernizes FDA's human resource capacity and capabilities to provide more accountability to stakeholders, including patients. FDA will implement a full time reporting system and establish a professional capacity planning function to better track workload, identify

areas of need, and help reallocate resources when necessary. PDUFA VI will also provide resources for an independent contractor to assess the program and help to implement best practices to ensure the program remains adequately and appropriately funded for the future. Determining the most appropriate fee levels and ensuring the resources are most efficiently being utilized will provide FDA with the tools to further improve their capabilities as well as continue to ensure access for new products.

In order for FDA to have the ability to perform its duties of delivering safe and effective new medicines to patients and ensure the continued regulation of products throughout their lifecycle, it is imperative the Agency has the appropriate staff and expertise available to them. The human drug review program at FDA has been understaffed and has lacked certain scientific capabilities needed to fully achieve its goals. PDUFA VI will address this issue through providing dedicated resources for recruiting and retaining a world-class scientific and medical workforce, providing independent outside consultants to work with the Agency on a comprehensive hiring strategy, and for the first time including hiring goals within the agreement. These provisions will help ensure FDA is delivering new medicines to patients in a timely manner, and that they are prepared for the increasingly complex drug development and review challenges of the 21st Century.

Conclusion

At a time when the U.S medical innovation ecosystem is facing severe strains and increased global competition, it is imperative that the FDA is equipped to help us deliver the next generation of new treatments and cures to meet patients' unmet medical needs. PDUFA VI will help the FDA ensure that patients receive effective and lifesaving drugs, while maintaining the United States' global leadership in biomedical innovation.

PhRMA and its member companies are committed to working closely with FDA, and all stakeholders, to insure the continued success of PDUFA in bringing safe, effective innovative medicines forward to address unmet medical needs for all patients. PhRMA therefore urges Congress to reauthorize PDUFA in a timely manner to ensure the new enhancements are implemented as quickly as possible and protect against any disruptions to this important program.

PhRMA applauds your continued commitment to ensuring the long-term sustainability of the FDA's human drug review program and to continuing to strengthen the agency's capabilities in areas critical to keeping pace with the latest scientific advances in drug development and regulation. We look forward to continuing to work with the Subcommittee, members of Congress, and other stakeholders on these important issues. Thank you for the opportunity to provide this testimony.

[i] U.S. Food and Drug Administration (FDA), FY1995 Performance Report to the President and Congress for the Prescription Drug User Fee Act. www.fda.gov/AboutFDA/ReportsManualsForms/Reports/UserFeeReports/PerformanceReports/ucm117257.htm.

[ii] U.S. Food and Drug Administration (FDA), PDUFA Background and Reauthorization Process (Presentation by Theresa Mullin). 15 July 2015 http://www.fda.gov/downloads/ForIndustry/UserFees/PrescriptionDrugUserFee/UCM455134.pdf

[iii] John Jenkins, FDA. CDER New Drug Review: 2015 Update (Presentation). 14 December 2015 http://www.fda.gov/downloads/AboutFDA/CentersOffices/OfficeofMedicalProductsandTobacco/CDER/UCM477020.pdf

[iv] FDA, FY2015 Performance Report to the President and Congress for the Prescription Drug User Fee Act, http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/UserFeeReports/PerformanceReports/UCM497750.pdf

[v] FDA, FY2015 Performance Report to the President and Congress for the Prescription Drug User Fee Act, http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/UserFeeReports/PerformanceReports/UCM497750.pdf