

December 1, 2017

Maryann Sheehan
Director, Legislative and Regulatory Affairs
Division of Consumer Affairs
124 Halsey Street, 7th Floor
PO Box 45027
Newark, New Jersey 07101

Submitted electronically

RE: PRN 2017-248 - Limitations on and Obligations Associated with Acceptance of Compensation from Pharmaceutical Manufacturers by Prescribers

Dear Ms. Sheehan:

The New Jersey Hospital Association welcomes the opportunity to comment on PRN- 2017-248 proposed by the Division of Consumer Affairs in the Oct. 2016 *New Jersey Register*. On behalf of NJHA's more than 400 members, which include hospitals, rehabilitation hospitals, long term care hospitals, skilled nursing facilities, home health and hospice agencies, PACE organizations, medical schools and others, we thank the Division for its consideration of our comments.

NJHA supports the intent of the regulations to prohibit inappropriate payments from pharmaceutical manufacturers intended to influence or inflate prescribing. Overprescribing, particularly of opioids, can be dangerous to patients and wasteful of increasingly scarce healthcare dollars.

NJHA is concerned, however, that the proposed rule as drafted could severely impede the progress of clinical trials and medical research in New Jersey. The rule would create barriers to recruiting and retaining the highest quality medical faculty and researchers, causing our state to lose out on important scientific breakthroughs and the ability to deliver cutting edge medical treatments to our patients.

Many clinical trials, especially for rare or orphan diseases, are funded directly or indirectly by pharmaceutical manufacturers. If this source of funding is curtailed without a ready replacement, New Jersey will lose out on millions in economic benefit, and patients will lose out on potentially life-saving breakthrough treatments. Therefore, **NJHA recommends an exemption from the \$10,000 compensation limit for the development, implementation and conduct of preclinical research or clinical research.**

Additionally, many of our most innovative practitioners and researchers spend years or decades developing new technologies that transform the way diseases are treated. While these individuals are not motivated exclusively by financial compensation, limiting the value of their innovations and inventions would almost certainly drive the best and brightest researchers to other states. This "brain drain" would be detrimental to medical staffs, medical education and patients. For this

reason, **NJHA recommends exempting payments for royalties, patents or intellectual property revenues.**

NJHA appreciates the opportunity to offer these comments to the Division of Consumer Affairs and we look forward to the opportunity to continue the dialogue. Please feel free to reach me at dstephan@NJHA.com if you have any questions or would like additional information.

Sincerely,

Neil Eicher