

HINJ Cabinet Meeting  
Wednesday, December 8, 2010

Good morning, I am Dr. Poonam Alaigh, Commissioner of the Department of Health and Senior Services.

It is a pleasure to be here today with my fellow cabinet members and distinguished leaders of the pharmaceutical and medical technology industry. I participated in HINJ's Commissioner Forum in October and I truly appreciate your invitation today to continue our dialogue.

As a physician with a background in the pharmaceutical industry, I know the tremendous contributions that the pharmaceutical and medical technology industries make not only to the economies of our state and the nation, but to the overall health of Americans.

The Health Care Institute of NJ deserves our thanks for being such incredible corporate citizens and for being such a powerful voice for New Jersey's strong life sciences industry. Your Rx 4 NJ program has helped several hundred thousand low-income individuals get free and low-cost medications that help them manage chronic disease, improve mental health and treat health complications.

Pharmaceutical and medical device advances have greatly impacted survival rates from coronary heart disease, stroke and HIV/AIDS. The discovery and use of Beta Blockers, ACE inhibitors, Stents and other therapies have resulted in a 50% reduction in coronary heart disease since 1979. Treatments for hypertension such as Diuretics, ACE inhibitors, Beta and Calcium channel blockers have reduced stroke deaths 70% since 1960. We have also seen a 75% decrease in HIV/AIDS deaths since 1997 thanks to the development of Antiretroviral therapies.

These great discoveries require tremendous investment in time and money. America's pharmaceutical research and biotechnology companies invested a record \$65.3 billion last year in the research and development of new life-changing medicines and vaccines – an increase of more than \$1.5 billion from 2008. The average amount spent on developing a drug is \$1 billion but can run anywhere from \$500,000 to \$2 billion. Additionally, these life-saving advancements require a great investment in time—about 10-15 years to develop just one drug.

Your work developing innovative medicines and therapies save lives and improves the quality of life of our residents. Your R&D investment in the state and the medications you provide for all New Jerseyans advances the Department's mission to keep our residents safe and healthy.

Just this year, our partnership with the pharmaceutical industry helped the Department provide prescription assistance to more than 160,000 residents.

Rebates on prescription drugs helped us avoid cuts in our Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), which, as you know, provides life-saving drugs to low-income seniors. Additionally, through new rebates, we were able to provide free AIDS medications to individuals with incomes between 300 and 500 percent of the federal poverty level. Pharmaceutical companies will further support our most vulnerable residents next year with increased rebates to help close the Medicare Part D doughnut hole for many seniors with high drug costs.

The pharmaceutical assistance that you provide to New Jersey's most vulnerable residents and your collaboration with the Department are especially critical in these challenging fiscal times.

Without the pharmaceutical companies' assistance, many low-income residents may have skipped necessary prescriptions because they couldn't afford them and that could have dire consequences for their health. On behalf of my Department and the residents of our state, thank you for ensuring New Jerseyans have access to the medications they need to stay healthy.

I look forward to continuing our partnership as we move forward with health information technology. It is one of my priorities because we cannot realize true health reform without HIT. Although enormous advancements in medicine have been made over the past two decades, the nation and New Jersey are lagging in the adoption of Health Information Technology. In my work at the VA using the VistA system, which was one of the first Electronic Health Systems in the nation, I saw firsthand the improvements in quality and efficiency that are achieved by having real-time patient data available instantly.

The Department, in collaboration with the Governor Christie's state-wide HIT Coordinator is working on overall regional health information exchanges and other health registries with a statewide HIE 'backbone' in order to integrate them. This backbone, the New Jersey Health Information Network, will connect a tremendous amount of health information data that can be used to improve health outcomes among our residents. We want your partnership to create a robust HIN that will allow all partners who are connected—including pharmaceutical companies—to share clinical data. This collaboration could lead to great improvements in drug safety and development of new therapies with multiple uses for a boarder array of conditions and age groups. I look forward to working with all of you here today on the development of HIT in our state.

Another area we are looking to partner with you is attracting and retaining more physicians. Our state is home to tremendous innovation and I hope that together we can build upon these opportunities to draw and keep physicians in our state.

We are home to 24 of the 30 largest pharmaceutical and medical technology companies in the world. We are leading the way in new fields of medicine that may produce cures for an untold number of diseases. Our state has one of only 40 National Cancer Institute-designated Comprehensive Cancer Centers in the nation, the Cancer Institute of New

Jersey, where breakthrough research and scientific advances occur. We are home to the Rutgers University Cell and DNA Repository which is making remarkable progress in the area of genetic treatment of disease. We also have the internationally-known Coriell Institute for Medical Research, which is at the forefront of personalized, or genome-informed, medicine right here in New Jersey.

Unfortunately despite our leadership in cutting edge health advancements, we are facing a significant doctor shortage in our state. As many of you are probably aware, by the year 2020, New Jersey will face a shortage of approximately 2,800 physicians. Of the approximate 860 physicians that finish their graduate medical education each year 60% leave the state. It is critical to explore all opportunities to keep our health care workforce strong. I hope that the Health Care Institute will be part of the dialogue as the Department develops initiatives that will keep our medical students and doctors in our state.

Overcoming workforce shortages is just one of the opportunities we have to improve health care in our state. As with any opportunity, it can only become a reality with collaboration, commitment and hard work. I look forward to your partnership on all the opportunities and challenges we face, I know we will be reaching out for your expertise and insight.

Thank you for your continued support in serving the residents of our state. I look forward to building upon our successes in the coming year. Your partnership will be essential to strengthening NJ's health care system and safeguarding the health of our residents.