PPTA Opposes Tax on Blood Clotting Factor

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ANNAPOLIS, Md., June 15, 2011 /PRNewswire/ -- PPTA opposes New Jersey Assembly Bill 2003 passed by the New Jersey Assembly Appropriations Committee on June 13 that imposes a new tax on therapies used to treat bleeding disorders like hemophilia.

The bill creates The Bleeding Disorders Treatment Fund by taxing the manufacturers of blood clotting factor in the form of a 6 percent rebate. PPTA opposes any policy that would impose a tax on the sale of lifesaving therapies. PPTA calls on the pharmaceutical industry at large to keep a close watch on this bill, which is a slippery slope towards taxing other medicines.

Blood clotting factor is a highly complex, lifesaving therapy that treats rare, genetic bleeding disorders such as hemophilia. This tax would be the first of its kind in the country where a state government would tax one type of business that provides a service for patients and subsequently gives the tax proceeds to other businesses that provide services to those same patients.

"This 'rebate' is nothing more than the tax on clotting factor sales that was proposed and failed in the last session," said Julie Birkofer, senior vice president, North America, PPTA. "It sets a dangerous precedent that could have a negative impact on patient access to clotting factor."

Plasma protein therapies, which include plasma-derived therapies and recombinant blood clotting factors (a biotechnology product), are biological products that are not interchangeable, and no generics or substitutions exist. These unique therapies are used every day to treat people with bleeding disorders such as hemophilia, which causes painful internal bleeding and debilitating joint damage; primary immunodeficiency diseases, which render the body defenseless from even the most common infections, often leading to pneumonia and other serious illnesses; and alpha-1 antitrypsin deficiency, also known as genetic chronic obstructive pulmonary disease (COPD). Additionally, al
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