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Gov. Rendell, Former Rep. Gephardt and Leading Innovators Call for Greater Focus on Medical Innovation to Boost U.S. and Local Economies

New data show medical innovation professionals from the mid-Atlantic region consider government policies critical to maintaining U.S. leadership in medical innovation

PHILADELPHIA (December 15, 2008) – A group of America’s top minds in medical innovation gathered today at the Franklin Institute in Philadelphia to discuss how strengthening the U.S. medical innovation sector could be a key to economic recovery. Participants in the *Best and Brightest Forum on Medical Innovation* outlined how the U.S. can bolster its traditional leadership in medical innovation and create more jobs in this critical area.

“It has become increasingly clear that continued leadership in medical innovation has a direct correlation to job growth and U.S. competitiveness, as well as the health of all Americans,” said Former Congressman Dick Gephardt, who moderated the discussion. “This region is home to some of the country’s most innovative universities and biotechnology and pharmaceutical companies who together employ hundreds of thousands of Pennsylvanians – making it an ideal place to discuss how we can ensure continued health and economic security through medical innovation.”

According to a 2005 Milken Institute study, the medical innovation or life sciences industry on the Greater Philadelphia to be responsible for:

- 276,000 jobs, or 11.4 percent of all employment in the region. (For every job within the life sciences in Greater Philadelphia, an additional 4.2 jobs are created in all other sectors.)
- \$13.7 billion in earnings, or 12.8 percent of total earnings in the region. (For each dollar in earnings produced in the life sciences sector, an additional \$2.00 in earnings is generated beyond it.)
- \$15.5 billion in gross metro product, or 7.1 percent of gross metro product in the region. (For each dollar of output produced in the life sciences sector, an additional \$1.20 in output is generated beyond it.)

"The economic benefits of medical innovation are indisputable, but there is an even more important reason that we need to rise to the innovation challenge: The health and well being of our citizenry," said Governor Edward G. Rendell, who offered the keynote address at the forum. "We need to do even more to spur medical innovation in order to deliver

solutions to our national health care challenge and – most importantly – make a difference in the lives of Americans who are depending on our ability to lead the world in innovation.”

Close to 400 companies are engaged in medical innovation activities in the Greater Philadelphia area, and major centers of research and training of our future leaders include institutions from within Philadelphia proper, including the University of Pennsylvania, Thomas Jefferson University, Temple University, Drexel University and University of the Sciences in Philadelphia – many of which were represented at today’s event on the panel and in the audience.

“This is a critical time for medical innovation in America,” said Bernard Pousot, Chairman, President and CEO of Wyeth. “We need a national strategy that supports science education; creates a just legal system rooted in science; maintains a sensible immigration policy that makes room for the world’s best scientists; and allows access to new medicines for patients.”

In conjunction with the forum, results were released today from a November 2008 APCO Insight survey of 250 randomly selected medical innovation professionals in the mid-Atlantic region. Respondents included research professionals, medical equipment manufacturers, pharmaceutical innovators, medical professors, hospital workers and physicians.

While the survey found strong agreement that medical innovation should be a top economic priority for the U.S., medical innovation professionals in the region also point to challenges to continued U.S. leadership and a growing industry.

Specifically:

- Concerns exist about the future of medical innovation in the U.S.
 - Only 27% believe that U.S. leadership in medical innovation is growing.
 - 72% believe the U.S. position is either declining or remaining stationary.
- Innovation professionals agree on primary challenges to U.S. leadership in medical innovation.
 - Inadequate funding for basic research.
 - Poor educational systems resulting in declining math and science skills and a shortage of trained research professionals.
 - An investment climate characterized by litigation risk and inefficient regulatory oversight holds back the development of new medicines and treatments.
- Government policy is a key to continued success in medical innovation.
 - Fully 94% of medical innovation professionals see government policy as a key issue determining the “success of the medical innovation industry.” However, only 30% give the government passing grades on this key issue. Fully 70% give the government poor marks.
 - In particular, government receives poor marks on:
 - Having investment friendly tax policies. (36% positive)

- Creating incentives for investment in medical innovation. (34% positive)
- Having efficient regulators to review and approve new innovations. (25% positive)
- Improving math and science education. (19% positive)
- Lowering the risk of frivolous lawsuits. (16% positive)

Two panel discussions – the first on challenges and threats to the future of medical innovation in the United States and the second on advancing solutions to maintain the competitive edge in an increasingly globalized world – featured leaders from finance, medicine, government, academia, and the biomedical industry, including:

- Dennis M. “Mickey” Flynn, President of Pennsylvania Bio
- Brenda Gavin, M.B.A., Founding Partner of Quaker BioVentures
- Glen N. Gaulton, Ph.D., Executive Vice Dean and Chief Scientific Officer of the University of Pennsylvania School of Medicine
- Paul Howard, Ph.D., Senior Fellow and Director of the Center for Medical Progress at the Manhattan Institute for Policy Research
- Russel Kaufman, M.D., President and CEO of the Wistar Institute
- Alan Leshner, Ph.D., CEO of the American Association for the Advancement of Science
- Joseph M. Mahady, President, Wyeth Pharmaceuticals, Senior Vice President, Wyeth
- Thomas Morr, President and CEO of Select Greater Philadelphia
- David B. Nash, M.D., M.B.A., Dean of the Jefferson School of Health Policy and Population Health at Thomas Jefferson University
- Barbara S. Schilberg, Managing Director and Chief Executive Officer of BioAdvance
- Representative Joe Sestak (D-PA), U.S. House of Representatives
- George Wohlreich, M.D., Director and CEO of the College of Physicians of Philadelphia

Gephardt and Rendell, along with representatives from the event’s co-hosts, America’s biopharmaceutical companies, Pennsylvania BIO, BioAdvance and Select Greater Philadelphia, encouraged panelists and attendees alike to continue identifying best practices for navigating through the current economic downturn and changes in public policy to help the United States stay the course as a worldwide leader in medical innovation.

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