



March 24, 2022

The Honorable Xavier Becerra
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Becerra,

On behalf of our nation's venture capital investors and the entrepreneurs they support, I write to express our support for the Advanced Research Project Agency for Health (ARPA-H), and its establishment as an independent agency within the Department of Health and Human Services. As investors in lifesaving drugs, medical devices, diagnostics, and digital health solutions, venture capitalists have a valuable perspective on regulations that can encourage innovation and advance our healthcare system. We appreciate your willingness to consider the views of the venture industry.

Venture capital investors are critical in healthcare innovation, working shoulder-to-shoulder with startups, scientists, universities, and entrepreneurs to develop life changing therapies and cures. Small venture-backed companies help to spur the creation of revolutionary medical discoveries aimed at diagnosing, treating, and curing the most deadly and costly diseases. The historical contribution of venture capital to medical advancement is immense, having backed 42% of all FDA-approved drugs from 2009-2018.¹ Further, venture investors are behind impactful companies behind the development of thrombectomy for stroke, minimally invasive mitral valve repair for heart failure, minimally invasive glaucoma surgery, continuous glucose monitoring, surgical robotics, percutaneous heart valves, next generation sequencing diagnostics for early detection and management of cancer, and diabetes pumps.

NVCA applauds the recent funding passed for ARPA-H in the *Consolidated Appropriations Act of 2022*, which will further dedicate federal R&D efforts to the discovery and advancement of medical breakthroughs. The venture capital industry plays a unique role in bridging the divide between government research and commercial demand, as well as between science and markets more broadly. Given this perspective and the industry's extensive experience with federal R&D programs to create successful new entities, we write to express our

¹Silicon Valley Bank, *Trends in Healthcare Investments and Exits 2019* available at <https://www.svb.com/globalassets/library/managedassets/pdfs/healthcare-report-2019-midyear.pdf>

views that ARPA-H be established as an independent agency within the Department of Health and Human Services.

ARPA-H was created with the success of the Defense Advanced Research Project Agency (DARPA) in mind, which operates as an independent agency with a longtime history of developing critical technologies from their earliest stages. The flexibility and startup mentality of DARPA contributes to this success and has attracted valuable partnerships with venture investors, whose participation is critical in bridging the divide from lab to market. Providing ARPA-H with the similar flexibility and speed as an independent agency will be a key factor for meeting the goals of the agency, expanding innovation opportunity, and bringing next-generation medical products, therapies, and cures to the American public.

If implemented correctly, ARPA-H provides an extraordinary opportunity to accelerate breakthrough medical discoveries in our healthcare system. NVCA appreciates the opportunity to share the experiences of the venture industry and we stand ready to serve as a resource as you work to establish this new agency.

Sincerely,

A handwritten signature in black ink that reads "Bobby Franklin". The signature is written in a cursive, slightly slanted style.

Bobby Franklin
President and CEO