

# AI in Life Sciences & Pharma: Smart Regulation for Pennsylvania

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## AI's Promise & Pitfalls in Life Sciences



**Huge potential:** AI can analyze vast data and generate molecular designs to find new cures faster and cheaper.



**Already in use:** Hundreds of FDA submissions annually now contain AI/ML components.



**Real risks:** Without oversight, AI can make harmful errors or reinforce biases in treatment. We need smart guardrails to maximize benefits and minimize risks.

## Pitfalls to Avoid in AI Legislation

1. **Overly rigid rules:** Avoid one-size-fits-all categorizations that could stifle innovation. An AI tool that helps hospitals and laboratories track inventory shouldn't be regulated in the same manner as a tool that diagnoses cancer.
2. **Costly compliance:** Dense requirements can create high compliance costs. This might discourage companies from investing in PA. Make sure to consider the downstream impacts of regulation.
3. **Patchwork problems:** Life science companies often operate nationally. Make sure you have considered how your legislation interacts with that of other states.
4. **Knee-jerk reactions:** Avoid bans or mandates based on isolated (but publicized) events. Instead, base policy on real evidence of harm and expert input.

## Key Elements for AI Legislation

- 1. Transparency:** Require clear disclosure of when and how AI is used in patient care. Patients should know if an AI is involved in diagnosing their conditions or aiding in treatment.
- 2. Human oversight:** Ensure a qualified human makes the final decisions, especially for care or coverage, so AI never operates unchecked.
- 3. Bias safeguards:** Mandate steps to minimize bias. For example, require evidence that AI tools were tested for fairness and trained on representative data prior to deployment.
- 4. Testing & validation:** Insist on rigorous pre-deployment testing of high-risk AI systems and ongoing monitoring afterward. AI tools should be regularly audited to ensure they're safe and effective.
- 5. Flexible, risk-based oversight:** Focus regulation on high-risk uses of AI (like patient care decisions), while allowing more flexibility for low-risk applications. This promotes innovation while protecting patient safety.

## Real-World Examples: AI in Pharma



**New drugs discovered:** An AI-designed drug molecule (DSP-1181) was tested in humans for the first time in 2020, and in 2023 the FDA granted an orphan drug designation to a treatment discovered using AI (Rentosertib).



**Faster research breakthroughs:** DeepMind's AlphaFold AI solved the 3D structures of essentially all human proteins, a feat that helps scientists target diseases much faster.



**Efficiency gains:** AI can dramatically cut research time and costs. Analysts estimate AI could save around \$50-70 billion a year in US drug R&D. This means faster development of new treatments at lower cost to patients.

## What's at Stake for Pennsylvania

- 1. Economic competitiveness:** Pennsylvania hosts major pharma and biotech companies. Smart AI policy will attract businesses and jobs, as well as improving our tech infrastructure.
- 2. Public health:** Used well, AI can improve healthcare for Pennsylvanians, with faster diagnoses and better outcomes at a lower cost. Used poorly, we jeopardize patient safety and trust.
- 3. Innovation leadership:** Pennsylvania has the ingredients to be a national leader in AI-driven life sciences. We already have world-class universities, hospital systems, and a growing tech sector. Thoughtful legislation now will solidify our leadership and keep us ahead of the curve in this fast-moving field.