PDABs Promised Cost Savings Patients are Still Waiting

In recent years, nine states have set up Prescription Drug Affordability Boards (PDABs) in an effort to make medicines more affordable. These boards review certain high-cost drugs and some of them can impose "Upper Payment Limits" that cap what insurers can pay for the treatments.

But despite lawmakers' good intentions, these boards have failed to help patients.

Top Reasons for Failure

PDABs target the wrong problem

PDABs limit what insurers and other institutions pay for a medicine. But a lower payment limit does not necessarily translate to lower out-of-pocket costs for patients. Insurance coverage and copay assistance — not drug type or price — most strongly predict affordability.

> **"State and local government employees... would not likely see significant savings in their prescription costs."**
>
> – Andrew York, Executive Director, Maryland PDAB

$28m+ PDABs are difficult to implement

States must dedicate significant resources to review drugs, collect data, conduct affordability analyses, and administer payment limits. PDABs across six states have cost **more than $28 million** to establish and operate.



Oregon: The PDAB began its first affordability reviews, then halted the process and ultimately had to remove four of the original 12 medicines selected for review because they did not meet eligibility criteria.

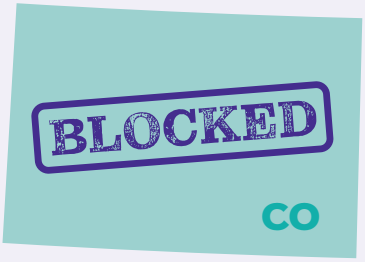


Minnesota: Nearly three years after lawmakers created its PDAB, the board still had not completed a single drug cost review. The state had to investigate its first eligibility list after complaints that some medicines had been incorrectly included.

PDABs threaten access to medicines

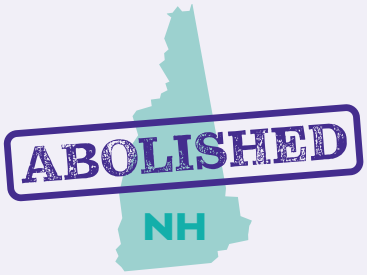
Insurers warn that medicines subjected to Upper Payment Limits could face more coverage restrictions. The *American Journal of Managed Care* similarly warned that "UPLs risk worsening patient access."

States Are Having Second Thoughts



COLORADO: BLOCKED

A federal judge blocked Colorado's first Upper Payment Limit for violating federal patent law.



NEW HAMPSHIRE: ABOLISHED

Lawmakers eliminated the state's PDAB just five years after creating it due to concerns about inefficacy and wasted resources.



VIRGINIA: VETOED

Governor Spanberger vetoed legislation to create a PDAB, concluding that evidence from other states shows these boards "do not achieve" the goal of lowering drug costs for patients.



VERMONT: NOT VIABLE

Legislators commissioned a study to assess the viability of a PDAB in the state. The report concluded the state would face significant challenges trying to establish a PDAB and should focus on market-based efforts instead.

When considering a PDAB, ask whether patients will actually pay less.

Bio Biotechnology Innovation Organization