

Chair Lindsey Daugherty
Colorado House of Representatives
House Health & Insurance Committee
200 E Colfax Avenue
Denver, CO 80203

March 10, 2023

Chair Daugherty, Vice Chair deGruy Kennedy and honorable members of the House Health & Insurance Committee,

On behalf of the Healthcare Distribution Alliance (HDA), the national trade association representing primary pharmaceutical wholesale distributors, I am writing to express our respectful opposition to House Bill 1225, which will extend and modify the Prescription Drug Affordability Board (PDAB).

HDA members serve as the vital link between the nation's pharmaceutical manufacturers and pharmacies, hospitals, long-term care facilities, clinics, and others nationwide, including over 700 located across Colorado. HDA members work around the clock to ship nearly 15 million healthcare products (medicines, medical supplies, durable medical equipment, etc.) to pharmacies, hospitals, and other healthcare providers daily to keep them stocked with the medications and products they need to treat and serve patients.

While HDA members understand the need to address technical aspects of legislation once a law has been enacted, HB 1225 goes beyond these technical changes and proposes a considerable expansion to the Board's authority regarding affordability reviews. Currently, the Colorado PDAB is in the very beginning phases of identifying drug products and determining how to conduct an affordability review under the initial statute, expanding the scope of the Board at this stage, without establishing any legislative oversight, is highly concerning.

Since the initial consideration of SB 21-175, our industry has expressed concerns with the overall disruption a PDAB could have on the pharmaceutical supply chain, especially with an unelected board having the authority to establish an upper payment limit on identified drug products. This could result in manufacturers choosing to no longer allow products with an established UPL to be sold into the state or simply cease producing certain drug products. Potentially leading to a disruption in patient care, the need to identify new drugs to offset the product being removed from market, and shortages of products given the instability in the marketplace.

Furthermore, as more states consider PDAB legislation, this will ultimately result in a patchwork of state policies and pricing metrics for a variety of pharmaceutical products. This further increases the overall cost in the supply chain and creates unpredictability in the marketplace as a whole. These state-level policies are also being considered at a time in which the industry is already undergoing significant drug policy changes at the federal level which will have a fundamental impact on the overall pharmaceutical supply chain. States should take time to fully realize the impact of the federal policy changes without adding additional complications to the marketplace.

We respectfully request the Committee oppose HB 1225 and allow the PDAB to continue their work as previously established. Expanding the scope of the PDAB at this stage is premature and could lead to unintended consequences to patient care in Colorado. I would be happy to discuss our comments and help answer any questions, you can reach me at LLindahl@hda.org or (303) 829-4121.

Thank you,



Leah Lindahl
Vice President
Healthcare Distribution Alliance (HDA)