TESTIMONY ON HB 23-1225
EXTEND & MODIFY RX DRUG AFFORDABILITY BOARD

Senate Health & Human Services Committee
April 19, 2023

SUPPORT

Submitted by: Michael Belmonte

Good afternoon Chair Fields, Vice Chair Ginal, and distinguished members of the committee. My name is Dr. Michael Belmonte and I am a practicing OBGYN in Aurora, Colorado.

In my years of practice, I've seen too often how patients have been forced to ration or entirely forgo their prescribed medications due solely to cost. Consequently, I've seen patients needlessly suffer and have manageable health conditions worsen, just because they couldn't afford a simple prescription.

That's why I applaud all efforts to help reduce the high cost of medications that my patients need to be healthy and live full lives.

That's why doctors including myself were so grateful to see Colorado's Prescription Drug Affordability Board passed. This effort to reduce the high cost of the medications my patients need to live and thrive should be applauded.

But too many of my patients, and patients across Colorado, still struggle to pay for medications their doctors have prescribed. Patients who skip their medications and split pills pay a steep price while drug companies continue to raise prices without accountability.

Strengthening the Prescription Drug Affordability Board by passing HB 23-1225 now can help. Extending the sunset review timeline from 5 years to 10 years will help stabilize costs and ensure patients can better predict them. Expanding the number of medications the board can review as it sets upper payment limits under HB23-1225 helps even more patients, with a wider variety of conditions, benefit.

The fact is drug companies are raising costs at a rapid pace. Cancer drugs now cost upwards of $100,000 a year.

A patient with asthma, typically a manageable chronic condition, may have to pay thousands of dollars for certain medications that can make the difference between living full and rewarding lives, and struggling to breathe.

Diabetes patients who try to save money by splitting pills and stretching their medication aren't taking their medications as prescribed, which puts them at risk of serious complications, including ketoacidosis, when acid builds up in the blood, poisoning the body.

Meanwhile, drug companies continue to raise prices. That's why this legislation is so important. Every upper payment limit set can help more people access life-saving medicine.

Doctors support HB 23-1225 to help our patients be healthy and to save the lives of Coloradans across the state.

COLORADO ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR COLORADO

4/19/2023

Members of the Senate Health & Human Services committee:

My name is Cleveland Piggott, MD, MPH, FAAFP, and I am a family physician in Aurora, CO. I am testifying on behalf of the Colorado Academy of Family Physicians, which represents over 2,500 family physicians, residents, and students across our state in SUPPORT of HB23-1225 “Extend & Modify Prescription Drug Affordability Board” because it is an important step to securing affordable health care for Coloradans.

As a family physician, I see patients of all ages and backgrounds. The sad reality is that when I prescribe a medicine that I know will improve the quality and/or length of my patient’s life, they often do not take the medicine because of cost. I, like many of my colleagues, continue to try to find ways to help our patients afford medications. I’ve personally helped patients know about or connect with discount programs, coupons, and financial counselors. I also often work to find effective alternatives that may be less expensive. However, it’s often still not enough and patients are making decision whether to pay bills, buy food, or buy medications.

I distinctly remember a story of one of my fellow family physician colleagues taking money out of her own pocket to pay for a patient’s medication because she knew how much the patient needed it and couldn’t afford it. Unfortunately, this gesture, that came from a place of love, made the patient feel embarrassed and still sticks with the provider today if she did the right thing.

These are not unique stories. Coloradans are struggling to afford the medications they need. Nearly 1 in 3 Coloradans have trouble affording their medications, often cutting pills, skipping doses, or not filling necessary prescriptions. The Prescription Drug Affordability Board is a meaningful way of curbing the cost of some of the most expensive drugs on the market. Right now, the Board's restrictions mean it cannot be as effective as its potential, helping fewer Coloradans access and afford their medications. By eliminating the cap on the number of drugs the Board can review and lowering the drug eligibility threshold, this bill directly benefits Coloradans. This Board is comprised of experts with diverse backgrounds who are independent and nonpartisan. The only priority of this board is to help Coloradans access and afford their medication.

Thank you for your time and all you do for our community. Your consideration of these matters and solutions is very much appreciated, and we ask for you to vote in SUPPORT of this bill.

Sincerely,

Cleveland Piggott, MD, MPH, FAAFP
President-Elect Colorado Academy of Family Physicians
Aurora, CO

April 19, 2023

Colorado General Assembly
200 E Colfax Avenue
Denver, CO 80203

Dear Esteemed Members of the Colorado Senate Health and Human Services Committee,

On behalf of the Cystic Fibrosis Research Institute (CFRI) and the Colorado residents living with cystic fibrosis that we serve, I write to express our concern over HB23-1225, which proposes to "Extend & Modify the Prescription Drug Affordability Board."

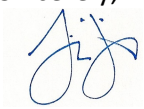
CFRI funds research and provides support to those living with cystic fibrosis, or CF, a progressive rare genetic disease. While we greatly appreciate and applaud legislation that seeks to protect consumers – patients - from high medical costs, we have significant concern that the proposed changes to the prescription drug affordability board – which have no carve out for rare disease medications – will cause our community – and other rare disease groups – to lose access to needed therapies.

Cystic fibrosis is a rare disease that impacts people of every race and ethnicity, which has been diagnosed in only 40,000 people nationwide. Most of the 7,000 identified rare diseases have only a handful of patients. As such, there is little incentive for drug development in the rare disease space, and today, over 95% of rare diseases have no FDA-approved therapy. We need to encourage drug development for those living with rare disease; we are concerned this legislation will inhibit investment in rare disease therapies.

Cystic Fibrosis is one of the "lucky" ones, in that we have several FDA approved therapies. Until recently, individuals with CF experienced progressive lung disease, usually dying in early adulthood. A double lung transplant used to be the only way to extend life, thought this was not a cure and brought its own significant health challenges. Thanks to new medications many people with cystic fibrosis have been able to get off disability, avoid lung transplants, work full time, and raise families.

Rare disease drugs are typically expensive, and with the expansion of potential drug caps, we are concerned that CF and rare disease patients in Colorado will lose access to needed therapies. Please do not advance this legislation as currently written.

Sincerely,



Siri Vaeth
Executive Director
Mother of an Adult Daughter with Cystic Fibrosis
svaeth@cfri.org
650-665-7576

Testimony of the National Academy for State Health Policy Regarding HB 23-1225

Chair Field and Members of the Health and Human Services Committee,

My name is Drew Gattine and I am a Senior Policy Consultant for the Center for Prescription Drug Pricing at the National Academy for State Health Policy (NASHP). NASHP is a non-partisan forum of state policy makers that works to develop and promote innovative health care policy solutions at the state level. In 2017 NASHP created its Center for Drug Pricing to focus attention on steps that states can take to tackle the spiraling costs of prescription drugs and the impact they have on consumers, the overall cost of health care and state budgets.

At NASHP we believe that when it comes to health care, the states are a tremendous source of innovative ideas and solutions. We approach our work by engaging and convening state leaders to solve problems. We conduct policy analysis and research and we provide technical assistance to states. NASHP's Center for Drug Pricing develops model legislation for states and provides technical assistance and support to legislators and executive branch leaders who wish to move them forward. When these bills pass, NASHP continues to support states as they are implemented.

NASHP is a non-partisan organization. We recognize state policy reflects the unique situations in each state however, so we do not take positions on legislative proposals. I am here not "for" or "against" the bill, but to share information and to help answer questions.

NASHP created the original model bill creating Prescription Drug Affordability Board (PDAB) and has since released a revised model . The legislation that created the PDAB in Colorado has many of the same elements of the NASHP model and HB 23-1225, if passed, would bring Colorado's PDAB into closer alignment with the NASHP model.

As we know high drug prices and dramatic annual increases in the price of prescription drugs are a significant driver in the unsustainable cost of health care for Americans. Sometimes price increases can arguably be justified by changes in the market, or an increase in the cost of production or by a reassessment of the clinical value of the product. But in many cases, they are

not. Often drug companies charge high prices on life-sustaining products simply because they can and because manufacturers know that in a market that does not effectively regulate price for life saving products that people need, that they can get away with increasing prices at a rate that far exceeds their need to cover increased costs.

Prescription Drug Affordability Board (PDAB)

In 2017, NASHP released its first model bill to create a state based PDAB. PDABs can be used to limit – and even lower – prescription drug costs by analyzing the affordability of high cost drugs and imposing upper payment limits (UPLs), a ceiling on the amount that a payer can reimburse for the purchase of a drug the PDAB determines to be unaffordable. Since NASHP released its initial model, six states (Colorado, Maryland, Maine, New Hampshire, Oregon and Washington) have enacted PDABs. Maryland was the first in the nation to pass a PDAB in 2019 and has a process to phase in setting upper payment limits, starting with public purchasers. In 2021, Colorado created a PDAB with broad authority to set upper payment limits across all payers within the state. Oregon also created its PDAB in 2020. In 2022, the legislature in Washington State created a PDAB that also has authority to set upper payment limits.

NASHP convenes a regular meeting of the six states (including Colorado) that have created Prescription Drug Affordability Boards ("PDABs") so that they can share technical expertise and other knowledge and experience.

In 2022 NASHP developed a revised PDAB model that reflects lessons learned, best practices, and shared experience. The model also incorporates experiences from states that have implemented comprehensive drug price transparency laws. NASHP has also published a legal analysis specific to PDABs which is available on our website, along with a Q&A and Blog.

The trailblazing work of intitial states has not gone unnoticed. This legislative session PDABs have been introduced in Connecticut, New Jersey, Minnesota, Vermont, Virginia, New Mexico, and Rhode Island. Virginia's PDAB (which has the ability to set upper payment limits) received a strong bi-partisan vote in the state senate. NASHP expects that other states will have an active discussion this year and that additional PDABs will be proposed.

Although there are differences among the various enacted PDABs, the Boards with the greatest potential to directly impact the cost of drugs have been given the statutory authority to set upper payment limits (UPLs). UPLs are a maximum rate applicable to payors and purchasers. UPLs are not price control – manufacturers are still free to set the wholesale price – but they do create a limit above which purchasers are not allowed to pay. As mentioned, Colorado's PDAB has this important tool.

Because of this strong authority to set UPLs, Colorado's PDAB is well positioned to have a direct impact on costs. It also shares many of the other characteristics that states have found to be important:

- The Board is appointed and is designed to operate independently. It is comprised of people with expertise but requires them to be free of any conflict of interest.
- It is designed to seek the engagement from stakeholders and is required to conduct its work in public.
- It leverages the investment that Colorado has made in data analytics.
- It sets clear criteria for what drugs will be subject to review based upon cost, covers both prescription and generic drugs and biologics. It looks at high launch prices and annual price increases. It also sets specific criteria for how the Board will assess affordability.
- As mentioned above, similar to the PDABs in Maryland and Washington, the Colorado PDAB take action by setting an upper payment limit – basically a ceiling rate – that health care payers in the state are allowed to pay. It builds significant safeguards for appeals by any interested entity.

PDABs are designed to conduct their work in a methodical and analytical way, leveraging data and seeking stakeholder input. The work of the PDAB involves 1) gathering information about the cost of drugs; 2) selecting drugs based upon defined criteria; 3) assessing affordability of those drugs; and (only after concluding that a drug is unaffordable) 4) determining whether to move forward with setting a UPL.

The Colorado legislature established its PDAB at the end of its 2021 session and the Colorado PDAB has made significant, swift, progress organizing its work, creating its rules and beginning the deliberative effort of identifying drugs and assessing affordability.

The bill before this committee proposes some changes to the criteria for the selection of drugs that bring it more in alignment with the newest version of the NASHP model legislation. The NASHP model bill was created in consultation with the states that have enacted PDABs and with other state leaders. The criteria for selecting drugs for review is based upon feedback from those states but also aligns with criteria used by states that have created programs to bring greater transparency to prescription drug pricing. It also includes language that will allow the PDAB to consider the affordability of drugs that are referred to the PDAB, allowing for meaningful stakeholder instruction. The Colorado PDAB has a very robust advisory council and this new provision would broaden the ability of the PDAB to have input from diverse voices and stakeholders.

As mentioned above, the Colorado PDAB has moved forward very swiftly and is well-positioned to begin the analytical processes required to do its important work. Because the analytics need to be done carefully and methodically it makes sense to move the sunset clause to a later date and to remove other artificial barriers, such as the limitation of the number of drugs that can be considered for UPLs.

As the Committee continues its work on this bill NASHP is available to support your work as necessary.

Thank you.

Drew Gattine
Senior Policy Consultant
Email: dgattine@nashp.org
Mobile: (207) 409-3477

Testimony of the National Academy for State Health Policy Regarding HB 23-1225

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Thank you.

Drew Gattine
Senior Policy Consultant
Email: dgattine@nashp.org
Mobile: (207) 409-3477

TESTIMONY ON HB 23-1225
EXTEND & MODIFY RX DRUG AFFORDABILITY BOARD

Senate Health & Human Services Committee
April 19, 2023

SUPPORT

Submitted by: Allison Costello MD, MBA

To the members of the committee. My name is Dr. Allison Costello. I am a family physician who treats patients in Denver and Aurora. I am writing on behalf of myself in favor of extending the prescription drug affordability board.

As a physician, I see first hand how high prescription drug costs force my patients to split pills, skip their medication and ration their care. That's why I applaud all efforts to help reduce the high cost of medications that my patients need to be healthy and live full lives.

Colorado's Prescription Drug Affordability Board was a huge step forward that will transform the lives of many patients. However, the playing field is tilted heavily against patients. The fact is drug companies are raising costs at a rapid pace. Just the other day in hospital, I was treating a patient whose pancreas no longer functioned. The pancreas is an organ that helps with nutrient absorption. Given his pancreatic insufficiency, he was unable to absorb adequate nutrition and was having severe diarrhea, to the degree that his electrolyte levels were so low he was at risk for cardiac arrest, a complication he had in the past. The solution to his problem was a medication that cost thousands of dollars a month, even with insurance. However, had he had access to the medication, his 5 day hospital stay with me could have been prevented. This patient had to choose between paying for medication to keep him out of the hospital or pay his mortgage, for food, or his car. He was worried he wouldn't be able to support his family.

That's why strengthening the Prescription Drug Affordability Board is so critical. I believe HB 23-1225 can directly benefit patients and their families. By extending the sunset review timeline from 5 years to 10 years, we can provide greater cost stability and predictability for patients. For my patient, he could hopefully be offered a medication that is hopefully not only of lower but also predictable costs moving forward. By increasing the number of medications the board can review as it sets upper payment limits, HB23-1225 ensures that even more patients are able to benefit from the law.

Drug companies raised prices on nearly 1,000 medications this year. Every step you take to prevent this helps. Every medication for which an upper payment limit is set saves lives.

HB 23-1225 puts people ahead of drug company profits, and that's why physicians like me support it.

Biotechnology Innovation Organization
1201 New York Avenue, NW, Suite #1300
Washington, DC, 20005
202-962-9200

April 18, 2023

The Honorable Rhonda Fields, Chair
Senate Health & Human Services Committee
State Capitol, 200 E Colfax
Denver, CO 80203

Dear Senator Fields and Members of the Committee:

The Biotechnology Innovation Organization (BIO) respectfully opposes HB23-1225, which would make various modifications and expansions to the Prescription Drug Affordability Board (PDAB) within the Division of Insurance (DOI). Extending the sunset and expanding the scope of this program, which has not yet been implemented, is premature and inappropriate.

The PDAB was enacted two years ago and has recently completed its initial rulemaking. According to the Board's timeline, the PDAB will finalize ranking of selection criteria for choosing the specific prescription drugs on which the Board will conduct an affordability review. The Board will then select its first round of products for affordability reviews later this year. The first upper payment limits will likely not be in effect until next year.

While the PDAB has made progress in its initial planning and administrative tasks, it has not yet implemented the law. Yet HB23-1225 proposes to remove limitations set on the PDAB by the General Assembly and expand the scope of products eligible for review, even though no one can know through experience whether many of these changes are necessary or appropriate. This bill also proposes to extend the sunset date of an unproven program, even though the sunset is still more than three years away.

The price-setting authorities provided to the PDAB are unprecedented and unproven; limitations and oversight were enacted in the PDAB law to prevent the unintended consequences this pricing experiment could have on patient access to innovative medicines. There should be no rush to enact the substantive changes in this bill or provide the PDAB with a five-year sunset extension because we simply do not know that any of these are justified.

For these reasons, we ask for your "no" vote on HB23-1225. If you have any questions, please do not hesitate to contact me at bwarren@bio.org.

Sincerely,

Brian Warren
Senior Director, State Government Affairs

HB23-1225 Extend & Modify Rx Drug Affordability Board
Wednesday, April 19 2023
Senate Health & Human Services
Testimony: Oppose

Madam Chair and fellow committee members,

My name is Adam Burg, and I am the vice president of Government Affairs for the Denver Metro Chamber of Commerce.

I'm writing to express our organizations' opposition to HB23-1225

This bill removes two elements that the Chamber fought to have in the passing of the initial SB21-175 Prescription Drug Affordability Review Board. These two elements include the currently set sunset date and putting a cap of drugs that could be brought to the board.

Further, we oppose the expansion of a program at a time when it has not been proven to lower drug costs or evaluate pricing. The Board has not completed an affordability review or set an upper payment limit for a prescription drug. Yet, the bill expands the number of drugs that could be subject to affordability review and removes the limit on the number of drugs for which the PDAB can set an upper payment limit.

While we commend the bill sponsors on their goal to improve the affordability of, we have not yet seen how the impact of the PDAB will play out for both patients and the life sciences ecosystem and, at best, this new bill would create even more uncertainty and unpredictability. Speaking in business terms, capping reimbursement for prescription drugs in the state of Colorado could have downstream effects on the early and development stage companies in our ecosystem and the availability of new medicines for the people of Colorado.

With the ongoing pandemic over the past few years, more than ever, we've seen how investments in science and research have yielded unprecedented results. Additionally, new therapies that cure (not just treat) genetic disorders are coming out over the next decade—which are even more striking, providing opportunities for countless patients to not only survive but thrive.

By expanding the number of drugs that could be subject to affordability review, removing the limit on the number of drugs for which the PDAB can set an UPL, and extending the sunset date for the law, this bill rolls back important protections that were put in place in an attempt to limit unintended consequences.

We encourage the committee to vote no on this legislation.

Sincerely,

Adam Burg
Vice President of Government Affairs
Denver Metro Chamber of Commerce

Dear members of the Senate Health and Human Services Committee-

Thank you for the opportunity to submit written testimony in opposition to HB23-1225, the so-called 'PDAB Modernization' bill.

Less than two years ago, after significant public debate and widespread opposition, the General Assembly passed SB21-175, establishing the Colorado Prescription Drug Affordability Review Board (PDAB). Dozens of individuals, industry stakeholders, business groups and community organizations testified against the bill, myself included. We cited a laundry list of negative impacts the formation of a drug review board would have on Coloradans, ranging from diminished availability of life-saving medicines to the stifling of bioscience innovation to the cost and disruption of yet another unproven policy involving prescription medications.*

Twenty-three months and $1.6 million in taxpayer dollars since SB21-175 was signed, the state PDAB has yet to fulfill its core mandate of reducing the cost of prescription drugs. Coloradans continue to battle rising health care expenses and suffer under the crushing weight out of pocket medical expenses without any relief coming from the PDAB policies. And serious questions remain about how this policy will impact Coloradans and the state budget.

First and foremost, HB23-1225 fails to address whether having the Board set an "Upper Payment Limit" (UPL) for certain medications will restrict the ability of a physician, hospital or pharmacist to provide that drug to their patients. The original legislation gave the Board authority to set a UPL, which in layman's terms mean nothing more than state government price setting. Only in this case the UPL means dictating to pharmacists, doctors, and hospitals what price they can pay to **purchase** certain drugs instead of setting what a provider of the drug can charge for the medication.

This amounts to telling Coloradans they can only pay $.50 for a loaf of bread, regardless of the price in the grocery store or how much it costs to make and under possible legal penalty if they do pay more than the 50 cents. It's not hard to imagine no one being able to buy bread in Colorado under this scheme or seeing Coloradans ordering baguettes on-line or skulking across the border with contraband sourdough bought in other states.

Just last week the board missed its widely announced March 31 deadline for announcing the first set of drugs subject to price review. With such questionable logic being applied to the enormously complex realm of prescription drug pricing, it's not surprising the Board is struggling to implement its core policies.

Yet rather than lead a rigorous review and evaluation of the Board and the policies entrusted to it, the state legislature is now considering HB23-1225 to actually **extend** the Board's power and reach, rescinding the main guardrails in the original legislation that provide Coloradans some buffer against the bureaucratic unknowns that could threaten our fundamental right to access life-saving medicines.

Giving even more power to a brand new, unproven and potentially highly damaging policy initiative should give serious pause to our state legislators and cause grave concern for every Coloradan.

I propose that, instead of extending PDAB's authority to potentially distort the market for prescription drugs, damage patient access to life saving medicines and disrupt the critical relationship between provider and patient, the General Assembly pursue the following: maintain the guardrails of the original bill that were part of the promise made by legislators to assuage concerns about the bill, and enact

increased accountability and transparency measures to ensure setting a UPL will not harm patient access to any medication they may need.

This is the kind of rigor and performance assessment that should accompany any large-scale, experimental policy initiative, especially when Coloradans' health is at stake. I strongly encourage the General Assembly either to strengthen the state's oversight of the PDAB experiment or vote no on HB23-1225 and let other states be the laboratory for this potentially harmful policy.

Sincerely,

Jennifer Churchfield, Co Chair

Front Range PharmaLogic

**Colorado's drug importation program has cost taxpayers upwards of $4 million dollars since its passage five years ago without a single prescription being imported under the program, and no prospect of this occurring in the foreseeable future.*

HDA
Healthcare Distribution Alliance
HEALTH DELIVERED

April 19, 2023

Chair Rhonda Fields
Senate Health & Human Services Committee
Colorado State Senate
200 E Colfax Avenue
Denver, CO 80203

Chair Fields, Vice Chair Ginal and honorable members of the Senate Health & Human Services 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. While we appreciate the amendments that were agreed to in the House, we remain concerned with the legislative proposal in its current form. 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 D. Lindahl

Leah Lindahl
Vice President
Healthcare Distribution Alliance (HDA)

Dear Members,

On behalf of the below signed organizations and the thousands of Coloradoans we represent, please consider voting NO on HB23-1225 – Extend and Modify Prescription Drug Affordability Review Board. This bill seeks to remove significant guardrails to a divisive bill that passed the General Assembly less than 2 years ago. In fact, we have yet to see any impact from the creation of this board, apart from costs to the state. The state needs to give the board time to work under the structure created in 2021, rather than make additional changes prematurely.

We share your concerns related to the high cost of prescription medicines that too often are unaffordable for patients – even those with health insurance. However, we remain concerned that giving an unelected board the authority to set drug prices (in the form of an Upper Payment Limit or UPL) may result in dangerous unintended consequences without guaranteeing lower prices for patients at the pharmacy counter.

As we understand it, the Prescription Drug Affordability Board has already faced some timing setbacks and additional expenses that were not originally anticipated. In fact, a recent request for an additional $260,000 of taxpayer dollars was just approved by the Joint Budget Committee in February. It seems counter-intuitive to modify this law until we have seen if it can lower drug prices for consumers and taxpayers when it has so far, failed to do so.

We are particularly concerned with three provisions of HB23-1225 that would provide the PDAB with greater authority without any proven success. The first, allows the board to consider any drug brought by an individual to be considered for a UPL. The second, would remove the UPL being applied to only 12 drugs for the first three years of the program. Instead, the board could set a UPL on any number of drugs. The third, would *double* the UPL sunset from five years to ten. We encourage the legislature to

maintain your vigorous oversight responsibilities for this experimental board and *not* lengthen the sunset provision.

We remain committed to working with you to find solutions for patients to access the lifesaving medications that improve their quality of life. However, we are concerned the current PDAB could reduce access to medications deemed unaffordable by this unelected board. Additionally, what impact will this have on our hospitals, physicians, and pharmacists? Will they maintain access to cutting-edge treatments for their patients or will they have fewer options for care? These concerns were expressed by dozens of hospitals, providers and the Colorado Pharmacists Society when the original law (SB 21-175) was passed. These same groups continue to express the same concerns through the PDAB regulatory process because the Board has not solved for how to prevent access issues for drugs subject to a UPL.

With so many questions and variables still unanswered, we respectfully ask the legislature to press pause on HB23-1225. There should be no rush to pass a second PDAB bill before we know if the PDAB put in place with the original bill will even lower the cost of drugs for patients at the counter.

Sincerely,

Arvada Chamber of Commerce

The Aurora Chamber of Commerce

AC-REP – Invested in Greater Adams County

Colorado BioScience Association

Colorado Competitive Council

Colorado Women's Alliance

The Denver Chamber of Commerce

Fruita Area Chamber of Commerce

Grand Junction Area Chamber of Commerce

ICAN, International Cancer Advocacy Network

Jefferson County Economic Development Corporation

Lupus Colorado

Michael Lee, Parent of Child with Duchenne Muscular Dystrophy

National Scleroderma Foundation Rocky Mountain Chapter

Northwest Douglas County Chamber & EDC

PRO 15

SLC6A1 Research and Support

South Metro Denver Chamber of Commerce

Westminster Chamber of Commerce

Testimony on HB23-1225

Senate Health and Human Services Committee

Members of the Committee,

Hello, my name is Joni Inman. I am the Executive Director of the Colorado Women's Alliance, a statewide non-profit that focuses on the policy issues that matter most to female voters.

The Colorado Women's Alliance conducts significant research throughout Colorado, utilizing surveys, focus groups and in-person one-on-one meetings. For the past seven years the rising cost of, and accessibility of, healthcare has consistently been one of the top five most important issues to women. As a result, we pay close attention to any proposed legislation that would impact that, and always review it through the lens of women and families.

It is our view, after carefully studying it, this bill would no nothing to lower costs of medications and, in fact, would have the draconian effect of driving best-treatment options out of Colorado. By reducing access to much-needed medications you are putting lives at stake. It's very simple, if a pharmaceutical company can not make a profit on a particular medication, it simply will not offer it at all in this market. This could very well make it impossible for people to get the best and most effective medications, for themselves or loved ones.

We opposed the original bill, two years ago, and have seen nothing in the time since that would indicate that the upper limit price-setting strategy has had any positive impact on women and their families.

I urge you to vote no on the expansion of the Prescription Drug Affordability Board powers and reach.

Thank you,

Joni Inman, Executive Director

Colorado Women's Alliance

April 17, 2023

Testimony on HB23-1225

Senate Health and Human Services Committee

Members of the Committee,

Thank you for the opportunity to voice my opinion on HB23-1225 – the Prescription Drug Affordability Board Modernization Bill.

My name is Frank Teunissen, I am a Douglas County resident and a member of the Steering Committee for Front Range PharmaLogic, a non-partisan, non-profit organization that takes a "logical" approach to looking at ways to **increase access** to life-saving medications for Coloradans.

This bill, like the original 2021 version, would have the exact opposite effect. In simple terms, if the State sets a maximum price for which a doctor, hospital, pharmacy or insurance company can pay for a specific medication, and pharmaceutical companies can sell those same medications in another state for more, those medications will not be available for patients in this state. This could, and will, put many lives at stake.

My wife, Victoria, was diagnosed with colon cancer in 2016, with a life expectancy of six months. Thanks to modern medical science, after several surgeries, two rounds of radiation, and several different types of cancer medications, she lived five more years. Five more years of watching our then 10-year-old son grow up, five more years of date nights, family dinners, holidays with all three of our sons and our grandson.

If any of those medications had not been available here in Colorado, I have no doubt that she would not have lived as long as she did. I can't bear the thought that another young mother could die because someone on a panel has decided that a particular medication is just too expensive.

This bill is wrong on so many levels. Two years ago, when the precursor, SB 21-175 became law it was with the intent of testing price setting on a maximum of 12 medications. Two years later, the bureaucracy around this test has grown yet not one medication has been studied. There has been zero dollars saved for patients, and now that same bureaucracy wants to expand the program, remove the limits, all without demonstrating success.

I was shocked to discover that the bill would criminalize doctors, pharmacists, and hospitals who buy a necessary life-saving drug for a patient anyway, despite the cost. Government should not, and cannot, stifle the hands of medical providers in the treatment of their patients.

If you pass this bill, you will not be saving money for patients, you will inadvertently be stripping them of many of the most effective treatments.

Please keep my wife, Victoria, and others like her, in mind when you deliberate on this bill. Please vote no.

Frank Teunissen

(720) 299-2265