

What is a Prescription Drug Affordability Board?

To address the high costs of prescription medications, many states are creating Prescription Drug Affordability Boards (PDABs). Each board is tasked with examining if prescription medications are “affordable” in their state and exploring ways to lower drug spending.

PDAB Basics



Boards are comprised of 4-10 volunteer members who have relevant expertise (pharmacists, doctors, economists); most also have advisory stakeholder councils



Boards evaluate the state’s healthcare spending on prescription medications and, in most states, conduct cost reviews of individual drugs



Drug review processes are new and untested; Boards have already noted some limitations of current procedures/approaches

Drug Review Process



Boards identify 5-20 high-cost drugs for review to determine if they are affordable based on state-specific standards



Drug costs are evaluated differently in each state - some states look at patient costs, some only evaluate state costs, some do both, and others take into consideration costs to the greater healthcare system, including insurance companies



Citizens and organizations can provide input on drugs under review, but the process varies greatly by state, as does the weight given to patient comments



Board members vote to classify drugs as affordable or unaffordable based on state-specific standards and board deliberations






Boards either report their findings to other state entities or take an additional step of setting an upper payment limit (UPL) in the state



A UPL is a maximum price that states and insurers pay for a drug in the state; it is NOT a limit on the amount that patients must pay for a drug or a cap on patient out-of-pocket costs

PDAB Limitations

-  Board UPLs can only set limits on what insurers or the state pay for a drug
-  Boards cannot cap patient out-of-pocket costs; they also cannot require that insurers set patient costs based on the UPL or pass along the discounted price to patients
-  Board changes apply to commercial, state, and Medicaid programs, but have little to no impact on federal programs like Medicare

Impact of UPLs



UPLs do not directly benefit patients and could contribute to a more complicated drug marketplace for doctors and patients



UPLs could lead to unintended consequences for patients, like changes to their insurance company's preferred drug list, requirements to try specific drugs before others, more prior authorizations, or other restrictions



UPLs could lower reimbursement rates for doctors, clinics, and pharmacists, limiting their ability to pay for and administer medications to patients

While it is so far unclear whether PDABs will lower drug costs, it is clear that any direct decrease in costs will be for states and insurers, not for patients.

Get Involved



Submit comments to PDABs and stakeholder councils in your state by sharing your personal experience with drugs under review



Meet with your state legislators about existing or planned PDABs



Volunteer to participate on a stakeholder council that advises your state PDABs (only available in some states)



Join the patient-led Patient Inclusion Council (PIC) to collaborate with other patients and advocate for your health!