VIA EMAIL

June 2, 2026

The Honorable Jeff Landry, Governor
Office of the Governor
900 N. 3rd Street
Baton Rouge, LA 70804

RE: Veto S.B. 401 (creating a Prescription Drug Affordability Board)

Dear Governor Landry,

The Ensuring Access through Collaborative Health (EACH) and Patient Inclusion Council (PIC) urges you to veto legislation that would create a Prescription Drug Affordability Board (PDAB) with the ultimate goal of setting upper payment limits for high-cost medications (S.B. 401).

Who We Are

EACH/PIC is a unique two-part coalition that unites patient organizations and allied groups (EACH), as well as patients and caregivers (PIC), to advocate for drug affordability policies that benefit patients. We share the legislature's objective to lower drug costs for patients. However, artificial price setting at both the state and federal level is the wrong approach to effectively lower patient out-of-pocket (OOP) drug costs and can ultimately cause more harm by creating added barriers between patients and their medically-needed care.

PDABs Have Not Realized Savings for Patients or States

EACH/PIC has been actively working with PDABs in multiple states and has seen firsthand the limitations of the PDAB model. Based on our experience, we believe PDABs are ineffective in identifying and solving the actual barriers patients face when attempting to access high-cost medications. Furthermore, PDABs cost millions of dollars per year to operate[1] and have yet to show any savings to the state or patients. In fact, failure to achieve savings was a direct reason for the full repeal of the New Hampshire PDAB in 2025.

Contrary to the claims of PDAB supporters, setting a UPL for a drug **does not directly lower patient OOP costs** and have little impact on overall patient costs. In reality, UPLs can

[1] Maryland spends $1.2 million per year on its PDAB (see HB350 from 2025) while the fiscal estimates for Michigan PDAB bills project costs of $4-5 million per year and Virginia is currently estimating their version of a PDAB will cost more than $8 million per year.

endanger patient accessibility and limit appropriate reimbursement for the physicians and pharmacists.

Why Upper Payment Limits Increase Patient Costs

Even though the current version of S.B. 401 does not give the PDAB authority to set upper payment limits (UPLs) for selected drugs, the sponsor acknowledged during committee hearings that the legislature can do so at any point in the future.

EACH/PIC opposes the implementation of UPLs because the adverse impact of UPLs on patients is not speculative. As shown below health plans are likely to place drugs subject to UPLs on higher formulary tiers or implement other utilization management tactics to steer patients away from these drugs. This leads to higher OOP costs for patients who face increased copay or coinsurance rates to retain access to that drug (or be switched to costlier drug for which the plan receives higher reimbursement). Recent research from the Pioneer Institute has shown this is already occurring under the Medicare Drug Price Negotiation Program, where patient **OOP costs have increased by an average of 32 percent** even before the maximum fair price caps for the first round of drugs went into effect in January.[2]

The results of EACH/PIC's Patient-Reported Affordability and Unaffordability Survey further demonstrate why price setting is the "wrong tool" to reduce patient drug costs, as responses from more than 500 patients clearly shows that **affordability is not dictated by the list price of a drug** but instead driven by health insurance barriers, income, and evolving life situations. The results also confirmed **health inequities** that could be exacerbated by price setting**,** as people of color were less likely to have access to specialty medications.

In addition, recent research from Avalere Health confirms that more than 3/4 of health plans believe price caps will **disrupt patient access** to needed medications through higher cost sharing, rebate adjustments, or other supply chain issues (such as pharmacies not stocking those drugs). The Value of Care Coalition survey of rheumatologists and other specialty doctors shows that nearly all believe price caps will result in **non-medical switching,** where patients are forced to switch medications without a medical need, often to inferior or ineffective/harmful therapies, due solely to an upper payment limit. In fact, more than half of rheumatologists would *avoid prescribing a drug* with an upper payment limit/price cap.

For these reasons, we would urge you to veto S.B. 401 or any future legislation setting UPLs for prescription drugs until the harm/benefit to patients is fully evaluated.

Louisiana Should Continue Focus on Patient-Centered Reforms

EACH/PIC shares the goal of lowering drug costs for patients and applauds Louisiana for being out-front on reforms that actually benefit patients, such as banning copay accumulator/diversion programs and reforming many anti-competitive pharmacy benefit manager (PBM) practices.

We urge you and the legislature to continue focusing on these non-UPL reforms and strongly support legislation (S.B.387) that "delinks" PBM compensation from the price of the drug. To the extent possible, we would ask that the "tie bar" between S.B. 387 and S.B. 401 be removed so that the former can be implemented. Delinking reforms (already enacted in

Colorado and by Congress for Medicare Part D) are estimated to save up to 15 percent in annual net drug spending if implemented nationwide, simply by removing the perverse incentive for PBMs to cover the highest-cost drugs for which they can extract the highest drug rebates[1].

EACH/PIC appreciates your focus on issues that impact patient access to care and look forward to working with you on alternative initiatives that can actually reduce OOP drug costs. Please feel free to reach out to me at mark@aiarthritis.org with any questions or for additional information.

Sincerely,

Mark Hobraczk, JD, MPA
Director of Public Policy, AiArthritis
Legislative Lead, EACH/PIC Coalition
Person living with Ankylosing Spondylitis

[1] See Delinking PBM Compensation From Drug List Prices Could Unleash Major Savings - July 24, 2025 - USC Schaeffer.