Impact of Government Payment Limits on Patient Access & Affordability

7 Seven states* have Prescription Drug Affordability Boards (PDABs), which were created by the legislature to review prescription drug costs.

4 Four of these PDABs** can set upper payment limits (UPLs), which cap the price of selected drugs for most entities in the supply chain, including pharmacists.

→ Insurance companies and their pharmacy benefit managers (PBMs) are not restricted by the UPL.

? While patient affordability is at the heart of this legislation, **do these PDABs really make medications more affordable for patients?**

Access to Pharmacy Medications

Health Plans with Copays

01	The PDAB sets a UPL on the drug	~~$2,000~~ → **$600**
02	Pharmacy purchases the medication at the UPL and dispenses the medication to the patients	**$600**
03	Patient pays a flat copayment, regardless of the price of the drug or the UPL	**$30 copay**
04	The health plan pays less for the drug based on the UPL	**Saves $1,400**

What does the health plan do with these savings?

↳ *Nothing in the PDAB requires these savings to be passed through to the patient*

Health Plans with Coinsurance

01	The PDAB sets a UPL on the drug	~~$2,000~~ → **$600**
02	Pharmacy purchases the medication at the UPL and dispenses the medication to the patients	**$600**
03	Patient pays coinsurance, a percentage based payment that is typically based on the list price of the drug	**$150 payment** *Based on 25% coinsurance for brand drugs*
04	The health plan pays less for the drug based on the UPL	**Saves $1,400**

Is this really addressing affordability?

↳ *Health plans that require patients to pay coinsurance may still keep medications out of reach for most patients*

*As of January 2026, Active PDABs: CO, ME, MD, MN, NJ, OR, WA. Past Studies: OH. Defunct PDABs: NH **PDABs with UPL Authority: CO, MD, MN, WA

Methodology: Model assumes no changes to the pharmaceutical supply chain, including manufacturer price and patient cost, other than the reimbursement rate being set at the UPL. UPL is hypothetical but similar to the first UPL set by the Colorado PDAB for Enbrel (e.g., a $600 UPL for a $2,000 drug).