Impact of Government Payment Limits on Providers, Infusion Centers and Patients

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 infusion centers.

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

This analysis examines how a UPL would influence an infusion center's ability to administer medications, and ultimately how this impacts patient access to care.

Access to Provider Administered Medications

Current State

Providers

Providers purchase medications slightly below list price. Providers administer medications to patients, possibly at an infusion center.

$2,000 Purchase Price

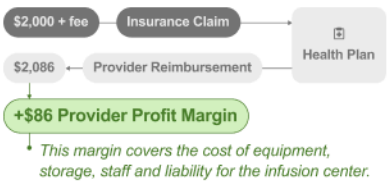
Patients

Patients are responsible for either a copay (flat fee) or coinsurance (percentage of the list price of the drug).

$30 Patient Copay

Providers

Providers submit reimbursement claims to a patient's insurance based on the cost of acquiring the drug, plus a small fee for administering the drug.



Under an Upper Payment Limit (UPL)

The PDAB sets a UPL on the drug. ~~$2,000~~ **$600**

Providers

The provider purchases the medication at the UPL and administers it to the patient.

$600 Purchase Price

Patients

Patient copay will remain the same regardless of the UPL.

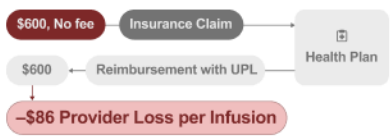
$30 Patient Copay

UPL does not impact copays

Payments for patients with coinsurance will change based on the new list price of the drug.

Providers

PDAB caps reimbursement at the UPL, which means providers may not be able to bill for their administration fee. This will result in financial losses for the provider.



Provider Financial Losses

PDABs can **set UPLs below acquisition costs.**

When reimbursement doesn't cover purchase price, **providers and infusion centers cannot offer these treatments.**

Providers/infusion centers may **stop administering** drugs with UPLs.

Risks Patient Access

When providers and infusion centers cannot administer medications with UPLs, patients lose access in their communities.

Resulting in:

- Potential **therapy disruptions and delays in care**.
- Patients **traveling long distances (out-of-state) for access.**

No Patient Savings

- UPLs limit what health plans pay to providers/infusion centers.
- For patients with copays, UPLs **do not reduce** the patient's out-of-pocket cost.
- Patients are **unlikely to see affordability improvements** from UPLs.

*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).