

Denver Metro Chamber of Commerce
Testimony against [SB21-175 Prescription Drug Affordability Review Board](#)

Thank you Madame Chair and committee members for your consideration of this testimony. My name is Laura Rizzo and I am here on behalf of the Denver Metro Chamber of Commerce and our 3,000 members in opposition to Senate Bill 175.

We know that far too many Coloradans struggle with the cost of health care and have heard that today – and it’s awful to hear. And we do appreciate the intent of this bill: to cut health care costs, but believe the bill as written undermines the concept of a free market for certain components of our economy, which puts access at risk and establishes a precedent for price setting that we do not support.

At the core of this bill is the upper payment limit – and we do consider that a form of price setting. Though this provision has been amended to exempt payers and state agencies from penalty, we still have ongoing concerns. Specifically, the bill makes it illegal for anyone, including pharmacies, hospitals and providers, to purchase a prescription drug for which the board has established a UPL, at an amount that exceeds the UPL. Capping prices can distort a market and the consequences can be particularly concerning when purchasers and sellers are regulated at different levels of government. In a worst-case scenario, and as you have heard from others tonight, it could impact patient access negatively. Federal action on issues around pharmaceutical affordability would be far less likely to create these unintended distortions or gaps in patient access than would a state-by-state approach.

We oppose price setting on the private sector. And have serious concerns in this case about how “affordability” would be determined and defined. We know these medications change the course and quality of someone’s life. But how will research and development costs be considered? How are patient numbers factored in? How is “life-saving” factored in? The pricing of pharmaceuticals is certainly a complex and technical process and leaving pricing some decisions to a state board causes us concern.

Transparency clearly has potential for reducing health care costs, and we applaud the efforts in this bill to increase it within this industry. We also support robust, thoughtful discussions and data analysis on the value of medicine, which can inform supply chain actors’ decisions in a free market. We oppose this bill in its current form, but support the notion of increasing transparency when it’s not duplicative and is linked to clear consumer benefit across the health care industry. And given our concerns with price setting, would support an amendment to remove the board’s authority to mandate an upper payment limit.

Please join us in opposing Senate Bill 175.