

## **RE: Consequences of Importing Federal Price Caps on Virginians' Access to Medicine & Healthy Aging Opportunities**

Dear Governor Spanberger:

We, the undersigned organizations, bring deep, on-the-ground experience serving older Americans, patients managing complex and chronic conditions, and their caregivers across Virginia and nationwide. Further, through our collective global, federal, state and local expertise on policy, we also have a clear understanding of which policies and programs are effective and where they fall short.

**We write today to express concerns that [SB271](#), which would establish a Prescription Drug Affordability Advisory Panel and impose federally set price controls on certain prescription medicines, would fail to deliver the promised financial relief to Virginia patients by lowering out-of-pocket costs.** Moreover, the legislation threatens to reduce Virginians' access to medicines that help them manage complex conditions and improve their quality of life.

We appreciate your ongoing commitment to advancing policies that enhance affordability for Virginians and your efforts to address middlemen practices that increase healthcare costs and create access barriers for patients. While SB271 removes the prescription drug affordability board (PDAB) and upper payment limit (UPL) structures, which patient and provider advocates and other stakeholders previously raised concerns about, this change is nominal. SB271 still offers no guarantees that Virginia patients will have unrestricted access to provider-recommended treatments or reduced costs.

Similar to concerns raised about establishing a PDAB in Virginia, the proposed Advisory Panel will entail substantial costs for taxpayers to set up, staff, and oversee. **Despite the significant resources required to establish and manage similar bureaucratic entities with the authority to set price caps in other states, these efforts [have not resulted in any cost savings](#) for patients to date.**

- In states that currently have a PDAB, such as [Maryland](#) and [Colorado](#), PDAB startup costs reached **\$730,000 to \$750,000**.
- The Maryland PDAB's allowed operating [expenses](#) for 2024 totaled **over \$1.4 million**.
- In [Oregon](#), a PDAB survey of key healthcare stakeholders in the state, including hospitals, pharmaceutical manufacturers, and retail pharmacies, found that half of the respondents believed that a UPL would have a **negative financial impact** on their organizations.
- Effective July 1, 2025, the General Court of New Hampshire [dissolved the state's PDAB due to budget cuts](#) in the state.

SB271 does not address patient out-of-pocket costs, which are influenced by insurance benefit design decisions made by pharmacy benefit managers (PBMs) and insurers, rather than decisions by pharmaceutical manufacturers. Although the legislation requires some reporting from PBMs, it still creates incentives for PBMs to steer patients toward higher-cost drugs that generate higher rebates and does not mandate that any savings from rebates be passed on to Virginia patients.

Patients with complex and chronic conditions such as cancer, HIV, arthritis, and others rely on timely access to the treatments their physicians prescribe. Price controls of any kind, including the direct manufacturer price cap linked to federal Maximum Fair Prices (MFPs) in Medicare in SB271, could limit reimbursement to Virginia providers, hospitals, and clinics—threatening their ability to stock and store critical treatments and deliver high-quality care. Price caps also risk chilling the development of new treatments and disrupting the complex supply chain that transports medicines from the lab to patients.

The introduction of federal drug-pricing mandates only further complicates the challenges already facing patients due to federal MFPs. In a survey, [more than 60%](#) of independent pharmacists were considering not stocking one or more medicines that had an MFP set by the federal government. Virginia has been experiencing a steady [decline](#) of community pharmacies since 2019. Policies should support Virginia patients' ability to rely on these trusted health institutions for care, not make it more difficult for independent and community pharmacies to keep their doors open.

By referencing federally set MFPs, Virginia would be [importing](#) a pricing scheme specifically geared towards Medicare beneficiaries across the country and not reflective of the needs of the Commonwealth's specific patient population. Moreover, Virginia would be the first state to incorporate federal MFPs into state drug pricing decisions – leaving patients in the Commonwealth vulnerable to their untested effects and potential negative consequences for access and affordability.

SB271 would shift authority over treatment access for Virginia patients to the federal government and a government-appointed panel, without enough patient input or a full understanding of market dynamics and clinical complexity of treatments. This could cause serious unintended consequences, such as decreased treatment availability, increased long-term healthcare costs, and worse patient outcomes.

**Given these concerns, we strongly urge you to veto SB271, due to the potential harmful impact the legislation could have on Virginia patients and access to care.** Across the country, entities similar to the proposed Advisory Panel have cost taxpayers millions in setup and management expenses and have yet to deliver any savings for patients. Instead of adopting federal policies that don't result in savings for patients in the Commonwealth, Virginia should focus on policies proven to significantly reduce patients' costs while protecting access to medicines and the Commonwealth's vibrant innovation ecosystem that produces new treatments and cures.

On behalf of the communities our organizations represent, we thank you for your leadership and urgent attention to this issue. We are happy to discuss our concerns further or answer any questions you may have.

Sincerely,

Global Coalition on Aging  
60 Plus Association  
Advocates for Responsible Care

AiArthritis  
Alliance for Aging Research  
American Association of Senior Citizens  
Autoimmune Association  
Biomarker Collaborative  
Boomer Esiason Foundation  
CancerCare  
Caregiver Action Network  
Caring Ambassadors Program  
Chronic Care Policy Alliance  
COGI (Color of Gastrointestinal Illnesses)  
Community Liver Alliance  
Diabetes Patient Advocacy Coalition  
Exon 20 Group  
HealthHIV  
ICAN, International Cancer Advocacy Network  
Lupus and Allied Diseases Association, Inc.  
Lupus Foundation of America  
MET Crusaders  
National Infusion Center Association  
Neuropathy Action Foundation  
NRG1 Energizers  
Patients Rising  
PDL1 Amplifieds  
Pharmacists United for Truth and Transparency  
The Mended Hearts, Inc.  
Tigerlily Foundation

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