

Families Need Relief from Runaway Prescription Drug Costs: State Prescription Drug Affordability Boards Can Help

THE PROBLEM: RX DRUG PRICES ARE TOO HIGH

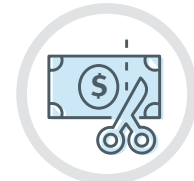
American families are struggling to afford the high prices of their prescription drugs.



More than 40% of adults ration, skip or forgo their medications as prescribed due to cost.¹



Almost 25% of high health insurance premiums are due to high prescription drug costs.²



And, as monthly premiums increase, wages rise more slowly.

The end result is clear:

High and rising drug prices are making it harder for Americans to get by.³

THE SOLUTION: PDABs WITH UPL AUTHORITY

There are a number of tools states can use to rein in prescription drug costs for individuals and families across the country. One of the most effective tools is **enacting legislation to establish a prescription drug affordability board (PDAB) with the ability to set upper payment limits (UPLs)** — or a maximum pricing limit — for certain prescription drugs sold in that state.

UPL authority is crucial for states to lower drug prices for their residents

PDABs are comprised of experts who analyze and evaluate the affordability of drugs that are purchased by residents and insurance plans in their state.⁴ A state's PDAB authority can range from being a primarily advisory committee that makes recommendations to being the final decisionmakers on establishing upper payment limits for nearly all state-regulated plans.⁵ Giving a PDAB the authority to set an UPL is crucial to meaningfully addressing the high cost of prescription drugs and providing real financial relief to consumers. With UPL authority, a state can limit the amount that plans will pay for drugs that the PDAB has determined are unaffordable, reducing both the out-of-pocket cost to consumers and slowing the growth of insurance premiums.⁶ Without UPL authority, PDABs are unable to take action to reduce the cost of the prescription drugs they identify as driving affordability struggles.

Prescription Drug Affordability Boards in the States

● EXISTING PDABs

⋯ PENDING PDABs

○ UPL AUTHORITY

☀ PENDING UPL AUTHORITY

⊞ WITHOUT UPL AUTHORITY



COLORADO



MAINE



MARYLAND



MINNESOTA



NEW JERSEY



OREGON



VIRGINIA



WASHINGTON

There are seven states with existing PDABs: **Colorado, Maine, Maryland, Minnesota, New Jersey, Oregon** and **Washington**.⁷ Of these, four states have granted their PDABs UPL authority: Colorado, Maryland, Minnesota, and Washington.⁸ In October 2025, Colorado's PDAB set the nation's first upper payment limit for Enbrel, a biologic used to treat autoimmune diseases, tied closely to the existing Medicare-negotiated price for the drug.⁹ Maryland is poised to set its own UPLs for Jardiance and Farxiga, both of which treat diabetes, and the state is also likely to use the Medicare-negotiated price to guide its UPL.¹⁰

States continue to enact and expand PDABs

During its 2026 legislative session, **Virginia** took a new approach to authorizing UPLs by passing a bill establishing a Prescription Drug Affordability Council and limiting payments in the state for drugs with a Medicare negotiated price to the Maximum Fair Price established under the Inflation Reduction Act.¹¹ Medicare negotiated prices have resulted in significant savings: the discounts off of list prices from the most recent round of negotiation range from 38% for a drug that treats Huntington's disease to 85% for a drug that treats Type 2 diabetes.¹² The Virginia bill gives other states a clear model to replicate those savings for patients and health plans outside the Medicare program.

Among states with existing PDABs, many are taking legislative action to increase their authority and ability to lower prescription drug prices. For example, **Colorado** passed a law in 2023 allowing its PDAB to establish UPLs for as many as 18 drugs, up from the original 12.¹³ Similarly, in 2025, **Maryland** expanded its PDAB's authority from just state programs to all patients in Maryland, and **Maine** passed a law allowing its PDAB to establish UPLs.¹⁴

These expansions show how establishing an initial PDAB can create real relief for patients, and state budgets. All states should work towards using tools like PDABs and UPLs to address the affordability of prescription drugs in their state. ***No one should have to choose between their lifesaving or life sustaining medication and basic needs.***

FOR MORE INFORMATION

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Endnotes

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