

Governor and Legislature Drug Pricing Bill Harms Patients

“Prescription Drug Affordability (Price Control) Board” Means More Bureaucracy – Not Cheaper or more Accessible Medications for Patients

Last week, Governor Polis announced his support for a government takeover of pharmaceutical pricing.

The bill the Governor is lauding is Senate Bill 175 – which would create a bureaucracy called the Prescription Drug Affordability Board. This board would have the authority to set price limits on prescription medication and impose massive penalties. This could cripple access to certain life-saving medications, likely impacting the most vulnerable Coloradans. Perhaps most concerning, the proposal wildly expands government control over individuals and private business.

Now let me start by recognizing there are problems with price and access for some prescription medications. I have spent the majority of my career working in health policy at the state and national level (and no, I don't work for a health plan, pharmaceutical company, or pharmacy benefit manager). I have seen these problems in both my personal and professional life. But creating another layer of bureaucracy only adds to the problems.

Let me explain. Setting a cap on the price of a drug sounds nice for the patient, but in reality, will make life-saving drugs more difficult for patients to access. This is especially concerning for patients who need these medications to treat cancer, asthma, arthritis and other serious ailments.

This bill would give the Governor the authority to appoint a partisan group of individuals to a board with the power to determine what the price of a product “should be” regardless of what the cost really is.

If a similar board was given the authority to set a price limit on automobiles in Colorado, what do you think car dealers will do? Rather than operate at a loss, they will likely move to Nebraska, Arizona, and Wyoming. For those fortunate enough to have resources to travel, there may be an inconvenience, but they will still purchase their vehicle. Everyone else's options would be limited.

The same holds true for pharmaceuticals. Rather than operate at a loss in Colorado, manufacturers and distributors of many critical and life-saving medications may decide they simply can't afford to sell their product in Colorado and instead set up shop in neighboring states. Again, for those with the resources to travel to these increasingly distant locations, there may be an inconvenience, but they will still get their much-needed medication. But for the most vulnerable, such as those experiencing economic hardship and the less-mobile elderly, these medications may be out of reach.

I'm disappointed in our elected officials' march to exert control over treatment decisions that should be made by individuals and families, in consultation with their trusted medical experts. Our elected leaders either willfully or unknowingly dismiss the foundational precepts of our market-based system.

America leads the world in innovation, especially in life-saving medicines, because for the most part, the buyers and sellers establish prices based on cost, investment, and outcomes. Many drugs have become too expensive. But there is a wealth of market-based, consumer-centered solutions for lowering cost and increasing access that our elected officials have ignored. The best solution is putting patients back in control of their health care dollars by restoring affordable, true indemnity insurance that a patient can

maintain for their entire lifetime. Instead, the Governor and sponsors of SB-175 seem to relish establishing costly government control over our healthcare system.

The result will inevitably lead to the access crisis we see in countries with nationalized health care systems, like in Canada, where patients can wait as long as 14 months for some cancer treatments. It's not just that SB-175 does nothing to lower the direct cost consumers pay for high-priced medicines, it's that passage of the bill will come at an incalculable cost to us all.

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