

April 12, 2023

**RE: Information on the Colorado Prescription Drug Affordability Board**

Dear Chair Frankel, Chair Rapp, and members of the Pennsylvania Health Committee,

I am writing as the Colorado Division of Insurance's Prescription Drug Affordability Director to provide information on the work of the [Colorado Prescription Drug Affordability Board \(PDAB\)](#). The Colorado PDAB is a five-member board that has the authority to conduct affordability reviews of prescription drugs and evaluate their impact on Coloradans. The Board may then recommend ways to address those costs and may set an upper payment limit (UPL) for prescription drugs it deems unaffordable. The Board's work is informed by the clinical and pharmacoeconomic expertise of Board members, as well as the expertise of the 15-person Prescription Drug Affordability Advisory Council (PDAAC), an Advisory Council appointed by members of the Board. The Board is also supported by five staff members.

The Board was created in 2021 through [Colorado Senate Bill 21-175](#) and is tasked with:

- Collecting and evaluating data to identify prescription drugs that may be subject to an affordability review.
- Performing affordability reviews if certain statutory triggers occur.
- Determining whether a prescription drug is unaffordable for Colorado consumers.
- If a drug is found to be unaffordable, the Board may set an upper payment limit.
- Make policy recommendations to the General Assembly.

The Board began meeting in November 2021 and meets every six weeks. Significant work has gone into preparing the Board for affordability reviews and the Board has been very deliberate and thoughtful in the approach to establishing its program. Since the Board began meeting, the following steps have been taken to ensure an intentional and stakeholder-informed process guides the Board's work:

Appointing PDAAC – in December 2021, the Board reviewed over 60 applications from Coloradans across the state applying to fill 15 positions on the Prescription Drug Affordability Advisory Committees, representing different interests from patients and providers and across the pharmaceutical supply chain. PDAAC's role is to provide stakeholder input to the Board regarding the affordability of prescription drugs and provide input regarding specific prescription drugs when the Board is selecting drugs for affordability reviews. The Advisory Council has met nine times since February 2022 and has been instrumental in policy development and rulemaking.

Learning Series – from May to June 2021, the Board held a five-part learning series, hearing from over 20 state- and national-experts to learn more about specific topics that may inform and impact the work, including: a prescription drug data deep dive; patient perspectives on prescription drug affordability; pharmaceutical supply chain panel; comparative effectiveness & affordability of prescription drugs; and prescription drug affordability efforts in Colorado & other states.

Rulemaking – between February 2022 and January 2021, the Board adopted five rules related to its work, and rulemaking involved significant stakeholder engagement, with each rule typically having 2-3 hearings and multiple additional stakeholder meetings. The Board's rules are:

- A General Provision rule, which contains information on definitions for the program, as well as details on severability and declaratory orders.

- An Appeal rule, which outlines how an aggrieved person may appeal an initial decision by the Board to establish an upper payment limit.
- An Affordability Reviews rule, which is an extensive document that provides details on identifying prescription drugs for affordability reviews, selecting prescription drugs for affordability reviews, conducting affordability reviews, and determining whether a prescription drug is unaffordable to Coloradans.
- An Upper Payment Limit rule, which contains details regarding how the Board will consider prescription drug costs, drug shortage lists, impact to older adults and persons with disabilities, and other factors when establishing a specific upper payment limit.
- A Carrier Use of Savings rule, which outlines how carriers must report information to ensure that any savings from an upper payment limit are being utilized to reduce consumer costs, prioritizing the reduction of out-of-pocket costs.

Policy Development – between November 2021 and January 2023 the Board developed five policies: delegation policy and procedure, general policies and procedures; conflicts of interest policy, affordability reviews policy, and upper payment limit methodology policy. These policies guide the work of the Board and at times provide additional guidance to support rules that have been promulgated and adopted by the Board.

Stakeholder Engagement – In addition to more formal stakeholder engagement opportunities like public comment and written testimony, Board members and Board staff have met with over 18 state- and national-based organizations that represent a large array of interests, from consumers and patients to providers and hospitals, to wholesalers, carriers, pharmacy benefit management firms, and prescription drug manufacturers. These meetings happen often to ensure the work of the Board is continuously informed by experts.

As the Board's work continues, staff anticipate the Board will review the inaugural list of prescription drugs eligible for affordability reviews next month, select prescription drugs for affordability reviews this summer, conduct and conclude affordability reviews this fall, and potentially establish upper payment limits this coming winter.

I am proud to support the Board's work to help reduce excessive prescription drug costs for Coloradans who cannot afford prescription drugs and protect Colorado residents and entities who purchase prescription drugs from the excessive costs of prescription drugs.

Thank you for your consideration. If you have any questions, please do not hesitate to contact me at [lila.cummings@state.co.us](mailto:lila.cummings@state.co.us).

Sincerely,

Lila Cummings  
Prescription Drug Affordability Director  
Colorado Division of Insurance