

PRESCRIPTION DRUG AFFORDABILITY BOARDS UPDATES

2025

The cost of healthcare within the United States has been a widespread concern among consumers, employers, and lawmakers. In response to these concerns, numerous states have taken steps to propose prescription drug affordability boards (PDABs). These boards are designed to address the increasing costs of prescription drug products through a variety of mechanisms such as reviewing drug prices, implementing price controls, conducting data analysis, reporting on pricing trends, drug markets, and policy strategies, and offering policy recommendations to improve consumer affordability. As more states continue to consider and modify PDAB frameworks, this growing momentum underscores the need for close monitoring and analysis. This resource provides a detailed review of proposed PDAB legislation, PDAB-like proposals, and bills introduced or enacted to modify existing PDABs during the 2025 legislative sessions, offering a comprehensive overview of this rapidly evolving policy landscape. This resource aims to educate and empower advocacy organizations, patients, and providers on the various versions of PDAB legislation that may be seen in 2026.



TERMS

Average Wholesale Price (AWP)

Average suggested price paid by a retailer to buy a drug from a wholesaler, excluding price concessions, discounts, and rebates.

Average Sales Prices (ASP)

Refers to the average amount of money a company receives for selling a unit of a drug or biological product in the United States during a specific three-month period (calendar quarter). This is calculated by taking the total revenue from sales (excluding certain exempted sales) and dividing it by the total number of units of the drug or biological product sold during that quarter.

Federal Supply Schedule (FSS)

The drug pricing program used by federal agencies, U.S. territories, Indian tribes, and other specified entities to purchase supplies and services from outside vendors.

Maximum Fair Price (MFP)

The Inflation Reduction Act of 2022 introduced measures to allow Medicare to negotiate the price of prescription drugs for Medicare beneficiaries.² The price negotiated for Medicare by the Secretary of Health and Human Services is the MFP.³ Some states mandate their PDABs to use federally negotiated Medicare prices to establish a UPL for drugs subject to MFP. This enables states to apply to federally negotiated prices to state-regulated markets.

Medicaid Models

In Massachusetts and New York, Medicaid programs have enhanced negotiating authority.⁴ This allows Medicaid to negotiate with drug companies for supplemental rebates if drug spending exceeds certain thresholds.⁵ These state Medicaid programs can also conduct pricing reviews or value assessments for high-cost drugs.⁶

National Average Drug Acquisition Cost (NADAC)

The pricing benchmark calculated from the Centers for Medicare & Medicaid Services' (CMS) monthly surveys of retail pharmacies that reflects the average price pharmacies pay to acquire a drug from a wholesaler or manufacturer, excluding subsequent discounts or rebates from manufacturers to wholesalers or pharmacies.

Quality-Adjusted Life Year (QALY)

A metric for evaluating the effectiveness of medical treatments by calculating how different kinds of medical treatments lengthen and improve consumers' lives.⁷

Reference Pricing (RP)

A strategy that involves using international drug prices as benchmarks, or reference rates.⁸ The goal of RPs is to ensure that the maximum price paid for a drug is similar to its cost in other countries.⁹

State Actual Acquisition Cost (SAAC)

The state Medicaid agency's calculation of the actual acquisition cost, based on a survey of providers' actual prices paid to acquire drugs or products marketed or sold by specific manufacturers, when NADAC is unavailable.

Upper Payment Limit (UPL)

Represents the highest allowable reimbursement rate that purchasers within a specific state can provide for a prescription drug product.¹⁰ The UPL does not dictate the manufacturer's pricing, but establishes an upper boundary on what a payer can charge for a drug.¹¹

Wholesale Acquisition Cost (WAC)

Represents an approximation of the manufacturer's list price for a pharmaceutical drug when sold to wholesalers, pharmacies or direct buyers.¹² It doesn't account for any discounts, rebates, or other price concessions that are offered by manufacturers. The WAC serves as a benchmark or reference price for the medication.¹³ It's important to note that this price is not the actual amount paid by wholesalers, pharmacies and other direct purchasers, who benefit from rebates and other price concessions offered by manufacturers.



PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>Georgia HB 931 (2025)</p>
MODEL	<p>UPL – The Board may set UPLs for each prescription drug for which it determines there is an affordability challenge for residents of the state, state and local governments, health benefit plans, healthcare providers, pharmacies, and other stakeholders within the healthcare system.</p>
PLANS AFFECTED	<p>All state-sponsored and state-regulated plans.</p>
DEFINITION OF AFFORDABILITY	<p>“Affordability challenge” means a determination by the Board that the costs of appropriate utilization of a prescription drug:</p> <ol style="list-style-type: none"> (1) Exceed the therapeutic benefit of such drug; or (2) Are not sustainable to consumers or to public or private healthcare systems. <p>When conducting an affordability review for a prescription drug, the Board shall be authorized to consider any of the following criteria:</p> <ol style="list-style-type: none"> (1) The relevant factors contributing to the price paid for the drug, including the wholesale acquisition cost (WAC), discounts, rebates, or other price concessions; (2) The average patient co-pay or other cost-sharing; (3) The effect on patient access; (4) Whether the cost of the drug contributes to inequities in the availability of healthcare to underserved communities in this state; (5) The dollar value and accessibility of patient assistance programs offered by manufacturers; (6) Price and availability of therapeutic alternatives; (7) Input from any advisory groups, patients, and individuals with medical or scientific expertise; (9) Life cycle management; (10) The average cost of the drug; (11) Market competition and context; (12) Projected manufacturer revenue; (13) Off-label usage of the drug; and (14) Any other relevant factors as determined by the Board.
DRUG SELECTION PROCESS	<p>N/A</p>
PRICING CONSIDERATIONS	<p>Methods set by Board, which <i>shall</i> consider:</p> <ol style="list-style-type: none"> (1) The cost of administering or dispensing the prescription drug; (2) The cost of distributing the prescription drug to consumers; (3) The status of the prescription drug on the drug shortage list published by the FDA; (4) The difference between the price of the drug in this state and other states and between the price in the U.S. and in other countries; (5) Other relevant administrative costs related to the production and delivery of the prescription drug; and (6) Other relevant costs related to the prescription drug.
DRUGS COVERED	<p>Prescription drugs with:</p> <ol style="list-style-type: none"> (1) A WAC of \$3,000+ per year; or (2) A WAC increase of \$300+ in the previous 12 months; or (3) A WAC increase of >200% in the previous 12 months; <p>Biosimilar drugs with an initial WAC that is not at least 15% lower than the corresponding biological product;</p> <p>Prescription drugs referred to the Board as possessing potential affordability challenges;</p> <p>Prescription drugs referred to the Board by any advisory group created by the Board; and</p> <p>The following categories of drugs:</p> <ol style="list-style-type: none"> (1) The 50 most frequently dispensed drugs and total paid claims; (2) The 50 most costly drugs based on total annual spending after rebates; (3) The 50 drugs with the greatest annual increase in expenditures after rebates; (4) The 50 drugs with the highest average out-of-pocket costs per covered person; (5) The impact of manufacturer rebates, fees, and other payments on plan premiums, including: (i) Total amounts by therapeutic class; and (ii) The 25 drugs generating the highest rebate amounts; and (6) Any resulting reductions in premiums and out-of-pocket costs.
STATUS	<p>Introduced – In House.</p>

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	Illinois SB 66 (2025)
MODEL	UPL – The Health Care Availability and Access Board may set UPLs for prescription drugs that have led or will lead to affordability challenges for the state health care system or high out-of-pocket costs for patients.
PLANS AFFECTED	All state-sponsored and state-regulated plans.
DEFINITION OF AFFORDABILITY	Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board may consider: <ol style="list-style-type: none"> (1) Any document and research related to the manufacturer’s selection of the introductory price or price increase of the prescription drug product; (2) Patient assistance program or programs specific to the product, estimated or actual manufacturer product price concessions in the market; (3) Net product cost to state payers; and (4) Other information as determined by the Board.
DRUG SELECTION PROCESS	In determining whether to conduct a cost review, the Board shall consider: <ol style="list-style-type: none"> (1) Preliminary information about the cost of the product; (2) Patient cost sharing for the product; (3) Health plan spending on the product; (4) Stakeholder input; and (5) Other information decided by the Board.
PRICING CONSIDERATIONS	Does not specify; however, The Board shall adopt the MFP for a UPL and shall not set a UPL that is different from the Medicare MFP. The Board is also prohibited from using QALY, or similar measures, which discount the value of life because of an individual’s disability or age.
DRUGS COVERED	The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$60,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 20% lower than the referenced brand biologic, and that have been suggested for review by the members of public, medical professionals, and other stakeholders; and A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for a 30-day supply or course of treatment lasting < 30 days A prescription drug product that may create affordability challenges for the State health care system or patients, including, but not limited to, drugs to address public health emergencies.
STATUS	Referred to Assignments.

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	Illinois HB 1443 (2025)
MODEL	UPL – The Health Care Availability and Access Board Act may set UPLs for prescription drug products that have led or will lead to affordability challenges for the state health care system or high out-of-pocket costs for patients.
PLANS AFFECTED	All state-sponsored and state-regulated plans.
DEFINITION OF AFFORDABILITY	Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board shall solicit public input.
DRUG SELECTION PROCESS	In determining whether to conduct a cost review, the Board shall compile preliminary information on: <ol style="list-style-type: none"> (1) Cost of the product; (2) Patient cost sharing for the product; (3) Health plan spending on the product; (4) Stakeholder input; and (5) Other information decided by the Board. In determining whether to conduct an affordability review, the Board may consider any document and research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, patient assistance program or programs specific to the product, estimated or actual manufacturer product price concessions in the market, net product cost to state payers, and other information as determined by the Board.
PRICING CONSIDERATIONS	In determining whether to set a UPL, the Board shall consider exceptional administrative costs related to the distribution of the prescription drug in the state. The Board is prohibited from using QALY, or similar measures, which discount the value of life because of an individual's disability or age. The Board shall adopt the MFP for a UPL and shall not set a UPL that is different from the Medicare MFP.
DRUGS COVERED	The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$60,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 20% lower than the referenced brand biologic; A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for a 30-day supply or a course of treatment < 30 days; and Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, including, but not limited to, drugs to address public health emergencies
STATUS	Re-referred to Rules Committee .

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	Iowa SF 264 (2025)
MODEL	UPL – The Board may set UPLs for prescription drugs that have led or will lead to affordability challenges for state residents, state and local governments, commercial health plans, health care providers, pharmacies, and other stakeholders.
PLANS AFFECTED	All state-sponsored and state-regulated plans.
DEFINITION OF AFFORDABILITY	<p>Does not define affordability or affordability challenges.</p> <p>In determining whether a prescription drug has led or will lead to an affordability challenge, the Board shall consider:</p> <ol style="list-style-type: none"> (1) The WAC of the drug; (2) Average rebates, discounts, and price concessions to health plans and pharmacy benefit managers (PBMs); (3) Prices and concessions for therapeutic alternatives; (4) Cost to health plans; (5) Effects on patient access; (6) The dollar value of manufacturer-sponsored patient access programs; (7) Financial impact on health, medical, or social services; (8) Average patient out-of-pocket costs; (9) Any information a manufacturer chooses to provide; and (10) Any additional relevant factors determined by the Board. <p>The Board <i>may</i> consider any document or research related to the manufacturer’s selection of the introductory price or a price increase of the prescription drug product, including lifecycle management, net average prices in the state, market competition and context, projected revenue, and the estimated value or cost effectiveness of the prescription drug product.</p>
DRUG SELECTION PROCESS	In determining whether to conduct a cost review, the Board shall consider input from the stakeholder council and average patient cost sharing.
PRICING CONSIDERATIONS	In establishing UPL the Board shall consider the cost of administering and delivering the drug to consumers and other relevant administrative costs.
DRUGS COVERED	<p>The following drugs would be eligible for review:</p> <p>Brand-name drug or a biologic with a WAC of \$30,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period;</p> <p>Biosimilar with WAC that is not at least 15% lower than the referenced brand biologic;</p> <p>A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for:</p> <ol style="list-style-type: none"> (1) a 30-day supply that lasts 30 consecutive days based on FDA-approved recommended dosage labeling; (2) a supply lasting < 30 days based on FDA-approved recommended dosage labeling; or (3) one unit of the drug if FDA labeling does not recommend a finite dosage; and <p>Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, including drugs used to address public health emergencies.</p>
STATUS	Referred to Subcommittee: Klimesh, Celsi, and Costello (S.J. 302).

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>Kansas SB 212 (2025)</p>
MODEL	<p>UPL – The Board may establish UPLs for prescription drugs that have led or will lead to affordability challenges for healthcare systems in this state or high out-of-pocket costs for patients in this state.</p>
PLANS AFFECTED	<p>All state-sponsored and state-regulated plans, except Medicaid and Medicaid/CHIP managed care organizations.</p>
DEFINITION OF AFFORDABILITY	<p>Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board shall consider:</p> <ol style="list-style-type: none"> (1) The WAC of the drug; (2) Average rebates, discounts, and price concessions to health plans and PBMs; (3) Prices and concessions for therapeutic alternatives; (4) Cost to health plans; (5) Effects on patient access; (6) The dollar value of manufacturer-sponsored patient access programs; (7) Financial impact on health, medical, or social services; (8) Average patient copay or out-of-pocket costs; and (9) Any additional relevant factors determined by the Board. <p>The Board may consider <i>any</i> document or research related to the manufacturer’s selection of the introductory price or a price increase of the prescription drug product, including lifecycle management, net average prices in the state, market competition and context, projected revenue, and the estimated value or cost effectiveness of the prescription drug product, and</p>
DRUG SELECTION PROCESS	<p>In determining whether to conduct a cost review, the Board shall consider input from the council and the average patient cost share for each prescription drug product.</p>
PRICING CONSIDERATIONS	<p>In establishing a UPL, the Board shall consider the relevant administrative costs related to supplying or stocking the prescription drug product and the impact of an upper payment limit for the prescription drug product on 340B program entities. Board is prohibited from using QALY, or similar measures that discount the value of life because of an individual's disability, age, or severity of illness; any cost-effectiveness analysis must weigh additional lifetime gained equally for all individuals.</p>
DRUGS COVERED	<p>The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$60,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 15% lower than the referenced brand biologic; A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for:</p> <ol style="list-style-type: none"> (1) a 30-day supply that lasts 30 consecutive days based on FDA-approved recommended dosage labeling; (2) a supply lasting < 30 days based on FDA-approved recommended dosage labeling; or (3) one unit of the drug if FDA labeling does not recommend a finite dosage; and <p>Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, including drugs used to address public health emergencies.</p>
STATUS	<p>Referred to Committee on Financial Institutions and Insurance.</p>

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>Massachusetts § 875 (2025)</p>
MODEL	<p>UPL – Board may set UPLs for drugs that create affordability challenges for the state's health care system and patients.</p>
PLANS AFFECTED	<p>All state-sponsored and state-regulated plans.</p>
DEFINITION OF AFFORDABILITY	<p>“Affordability Challenge” means situations whereby the Board determines that (1) the costs of appropriate utilization of a prescription drug, biologic or biosimilar exceed the therapeutic benefit; or (2) the costs of appropriate utilization of the prescription drug, biologic or biosimilar are not sustainable to consumers or to public and private health care systems.</p> <p>When conducting a review, the Board may consider any of the following criteria:</p> <ol style="list-style-type: none"> (1) The relevant factors contributing to the price, including the WAC, discounts, rebates, or other price concessions; (2) Average patient cost-sharing; (2) The effect on consumers’ access; (3) Whether the cost of the drug contributes to inequities in the availability; (4) The dollar value and accessibility of patient assistance programs offered by the manufacturer; (5) The price and availability of therapeutic alternatives; (6) Input from patients affected by the condition or disease treated by the drug and individuals with medical or scientific expertise related to the condition or disease treated by the drug; (7) The average cost of the drug in the state; (8) Market competition; (9) Projected manufacturer revenue, if available; (10) Off-label usage of the drug; and (11) Any other relevant factors as determined by the Board.
DRUG SELECTION PROCESS	<p>Methods set by Board, which shall consider whether a UPL may help alleviate health disparities and inequitable outcomes for (1) underserved communities, (2) people with disabilities, (3) older adults, or (4) any other socially, economically, or environmentally disadvantaged group.</p> <p>The Board <i>may</i> consider:</p> <ol style="list-style-type: none"> (1) The cost of administering the prescription drug; (2) The cost of delivering the Prescription Drug to patients; (3) The status of the prescription drug on the drug shortage list published by the FDA; (4) The differential in price between the price of the drug in the STATE, nationally, and the price of the drug in other countries; (5) Other relevant administrative costs related to the production and delivery of the prescription drug; and (6) Other relevant criteria the Board, accounting for any stakeholder input, determines is necessary.
PRICING CONSIDERATIONS	<p>Same as drug selection process.</p>
DRUGS COVERED	<p>The following drugs would be eligible for review:</p> <p>Brand-name drug or a biologic with a WAC of \$3,000+, or a WAC increase of \$300+ or by 100% in preceding 12-months, Biosimilar with WAC that is not at least 15% lower than the referenced brand biologic; Other drugs referred to the Board as posing potential affordability challenges; Prescription drugs referred to the Board by any advisory group created by the Board; and Prescription drugs included in the following reports:</p> <ol style="list-style-type: none"> (1) The 50 most frequently dispensed drugs and total paid claims; (2) The 50 most costly drugs based on total annual spending after rebates; (3) The 50 drugs with the greatest annual increase in unit price after rebates; (4) The 50 drugs with the highest average out-of-pocket costs per covered person; (5) The impact of manufacturer rebates, fees, and other payments on plan premiums, including: (i) Total amounts by therapeutic class; and (ii) The 25 drugs generating the highest rebate amounts; and (6) Any resulting reductions in premiums and out-of-pocket costs
STATUS	<p>Accompanied § 868.</p>

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>Michigan SB 3/HB 4544</p>
MODEL	<p>UPL – Board may set UPLs for drugs that create affordability challenges for the state's health care systems and patients.</p>
PLANS AFFECTED	<p>All state-sponsored and state-regulated plans, including Medicaid.* Affirming the bill's scope, Michigan has also proposed SB 4, which would amend the Insurance Code to require an insurer that offered health insurance policies in the State to comply with UPLs established under SB 3, and SB 5, which would amend the Social Welfare Act to require Medicaid to comply with UPLs.</p>
DEFINITION OF AFFORDABILITY	<p>Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board shall consider:</p> <ol style="list-style-type: none"> (1) The WAC of the drug; (2) Average rebates, discounts, and price concessions to health plans and PBMs; (3) Prices and concessions for therapeutic alternatives; (4) Cost to health plans; (5) Effects on patient access; (6) The dollar value of manufacturer-sponsored patient access programs; (7) Average patient copay or other cost-sharing; (8) Financial impact on health, medical, or social services; (9) Impact on hospital access, drug shortage concerns, and the impact on the cost to hospitals purchasing the product; and (10) Any additional relevant factors determined by the Board. <p>The Board may consider any document or research related to the manufacturer's selection of the introductory price or a price increase of the prescription drug product, including lifecycle management, net average prices in the state, market competition and context, projected revenue, and the estimated value or cost effectiveness of the prescription drug product.</p>
DRUG SELECTION PROCESS	<p>In determining whether to conduct a cost review, the Board shall consider input from the stakeholder council and average patient cost sharing.</p>
PRICING CONSIDERATIONS	<p>In establishing a UPL, the Board shall consider the administrative costs related to supplying and stocking the drug and the impact on 340B covered entities. The Board is prohibited from using QALY, or similar measure, that discounts the value of life because of an individual's disability or age.</p>
DRUGS COVERED	<p>The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$60,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 15% lower than the referenced brand biologic; A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for:</p> <ol style="list-style-type: none"> (1) a 30-day supply that lasts 30 consecutive days based on FDA-approved recommended dosage labeling; (2) a supply lasting < 30 days based on FDA-approved recommended dosage labeling; or (3) one unit of the drug if FDA labeling does not recommend a finite dosage; and <p>Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, including drugs used to address public health emergencies.</p>
STATUS	<p>Referred to Committee on Government Operations</p>

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>Virginia HB 1724 (2025)</p>
MODEL	<p>UPL – The Board may set UPL for prescription drug products that create affordability challenges costs for citizens of the state, particularly patients experiencing physical and mental illnesses, communities affected by the opioid crisis, state and local governments, commercial health plans, health care providers, pharmacies, and other stakeholders within the health care system.</p>
PLANS AFFECTED	<p>All state-sponsored and state-regulated plans.</p>
DEFINITION OF AFFORDABILITY	<p>Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board <i>shall</i> consider:</p> <ol style="list-style-type: none"> (1) The WAC of the drug; (2) Average rebates, discounts, and price concessions to health plans and PBMs; (3) Prices and concessions for therapeutic alternatives; (4) Cost to health plans; (5) Effects on patient access; (6) The dollar value of manufacturer-sponsored patient access programs; (7) Financial impact on health, medical, or social services; (8) Average patient copay or other cost-sharing; (9) Any information provided by manufacturers; and (9) Any additional relevant factors determined by the Board.
DRUG SELECTION PROCESS	<p>In determining whether to conduct a cost review, the Board shall consider:</p> <ol style="list-style-type: none"> (1) Preliminary information about the cost of the product; (2) Patient cost sharing for the product; (3) Health plan spending on the product; (4) Stakeholder input; and (5) Other information decided by the Board <p>In determining whether to conduct an affordability review, the Board <i>may</i> consider any document or research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, including life-cycle management, net average prices in the state, market competition and context, projected revenue, patient assistance programs specific to a prescription drug product, estimated or actual manufacturer price concessions in the market, the estimated value or cost effectiveness of the prescription drug product, and other information as determined by the Board.</p>
PRICING CONSIDERATIONS	<p>In determining whether to set a UPL, the Board shall consider:</p> <ol style="list-style-type: none"> (1) Exceptional costs of administering the prescription drug product; (2) The cost of delivering the prescription drug product to consumers; and (3) Other relevant administrative costs related to the prescription drug product. <p>The Board is prohibited from using QALY, or similar measure, that discounts the value of life because of an individual's disability or age. The Board shall adopt the MFP for a UPL and shall not set a UPL that is different from the Medicare MFP.</p>
DRUGS COVERED	<p>The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$60,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 20% lower than the referenced brand biologic; A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for:</p> <ol style="list-style-type: none"> (1) a 30-day supply that lasts 30 consecutive days based on FDA-approved recommended dosage labeling; (2) a supply lasting < 30 days based on FDA-approved recommended dosage labeling; or (3) one unit of the drug if FDA labeling does not recommend a finite dosage; and <p>Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, including drugs used to address public health emergencies.</p>
STATUS	<p>Vetoed.</p>

PROPOSED PRESCRIPTION DRUG AFFORDABILITY BOARD UPDATES

STATE	<p>West Virginia HB 2831 (2025)</p>
MODEL	<p>UPL – The Board may set a UPL for prescription drug products that may create or has created affordability challenges for the state health care system and patients.</p>
PLANS AFFECTED	<p>All state-sponsored plans.</p>
DEFINITION OF AFFORDABILITY	<p>Does not define affordability or affordability challenges. In determining whether a prescription drug has led or will lead to an affordability challenge, the Board shall consider:</p> <ol style="list-style-type: none"> (1) The WAC of the drug; (2) Average rebates, discounts, and price concessions to health plans and PBMs; (3) Prices and concessions for therapeutic alternatives; (4) Cost to health plans; (5) Effects on patient access; (6) The dollar value of manufacturer-sponsored patient access programs; (7) Financial impact on health, medical, or social services; (8) Average patient copay or other cost-sharing; and (9) Any additional relevant factors determined by the Board. <p>If the Board is unable to determine whether a prescription drug product will produce or has produced challenges to the affordability, the Board may consider the following factors:</p> <ol style="list-style-type: none"> (1) The manufacturer's R&D costs in proportion to the manufacturer's sales in the state; (2) The portion of direct-to-consumer marketing costs eligible for favorable federal tax treatment and that are multiplied by the ratio of total manufacturer in-state sales to total manufacturer sales in the U.S.; (3) Gross and net manufacturer, PBM, and wholesale distributor revenues; (4) Any additional factors proposed by the manufacturer and appropriate insurance carriers, HMOs, managed care organizations, wholesale distributors, and PBMs that the Board considers relevant; and (5) Any additional factors as established by the Board in regulations.
DRUG SELECTION PROCESS	<p>In determining whether to conduct a cost review, the Board shall:</p> <ol style="list-style-type: none"> (1) Seek Stakeholder Council Input; (2) Consider patient cost sharing; (3) If no publicly available cost-setting information exists, the Board shall request the necessary information from the manufacturer and, as appropriate, from a wholesale distributor, PBM, insurance carrier, HMO, or managed care organization. <p>In determining whether to conduct an affordability review, the Board may consider any document and research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, including life-cycle management, net average prices in the state, market competition and context, projected revenue, and estimated value or cost-effectiveness of the product.</p>
PRICING CONSIDERATIONS	<p>In determining whether to set a UPL, the Board shall consider:</p> <ol style="list-style-type: none"> (1) Costs of administering the prescription drug product; (2) Costs of delivering the prescription drug product to consumers; and (3) Other relevant administrative costs related to the prescription drug product.
DRUGS COVERED	<p>The following drugs would be eligible for review: Brand-name drug or a biologic with a WAC of \$30,000+/year or course of treatment or has a WAC increase of \$3,000+ in any 12-month period; Biosimilar with WAC that is not at least 15% lower than the referenced brand biologic; A generic with a WAC that increased by 200%+ during the preceding 12-month period and that \$100+ for:</p> <ol style="list-style-type: none"> (1) a 30-day supply that lasts 30 consecutive days based on FDA-approved recommended dosage labeling; (2) a supply lasting < 30 days based on FDA-approved recommended dosage labeling; or (3) one unit of the drug if FDA labeling does not recommend a finite dosage; and <p>Any other prescription drugs that may create affordability challenges for the state healthcare system or patients, in consultation with the Stakeholder Council.</p>
STATUS	<p>Failed.</p>

PDAB-LIKE LEGISLATION

STATE	New Jersey A 1646 (2024-2025)
MODEL	Manufacture Price Caps – The Biological Product Review Commission may set the maximum allowable price a manufacturer can charge for prescription drugs and biological products with excessively high costs.
PLANS AFFECTED	N/A
DEFINITION OF AFFORDABILITY	<p>Costs are deemed “excessively high” based on a comparison to other states and countries, and when assessed against the overall costs of research, development, and production in light of the number of years the drug or biological product has been available.</p> <p>In determining which drugs and biological products have “excessively high” costs, the Commissioner shall consider the following information reported by manufacturers after a product is placed on the list of critical prescription drugs and biological products of substantial public interest:</p> <ol style="list-style-type: none"> (1) Total cost of production and approximate cost of production per dose; (2) R&D costs, including those paid with public funds and after-tax costs paid by the manufacturer, and those paid by third parties; (3) Marketing and advertising costs, apportioned by marketing activities that are directed to consumers, prescribers, state consumers and prescribers; (4) The prices charged to purchasers outside the U.S. by country, for a representative set of countries determined by the Commission; (5) Prices charged to typical state purchasers, including, but not limited to, pharmacies, pharmacy chains, pharmacy wholesalers, or other direct purchasers; (6) True net typical prices charged to PBMs for distribution in the state, net of any rebates or other payments from the manufacturer to the PBM and the PBM to the manufacturer; and (7) Any rebates available to consumers, which information shall be made publicly available on the division’s website.
DRUG SELECTION PROCESS	<p>In developing the list of critical prescription drugs and biological products for which there is a substantial public interest in understanding the development of pricing for the drugs or biological products, the Commission shall consider:</p> <ol style="list-style-type: none"> (1) The cost of the drug or biological product to public health care programs including, but not limited to, the Medicaid and NJ FamilyCare programs; (2) The current cost of the drug or biological product in the state; (3) The extent of utilization of the drug or biological product within the state; (4) The availability and cost of comparable or therapeutically equivalent courses of treatment; (5) The rate at which the drug or biological product is deemed to produce successful outcomes when used to treat the conditions for which it is most commonly prescribed; and (6) Other objectively quantifiable factors as the Commission determines to be relevant to evaluating the significance of the availability of the drug or biological product in state. <p>The Commission <i>may</i> consider recommendations from government agencies, members of the public, and professional organizations representing the pharmaceutical industry, health care practitioners, pharmaceutical manufacturers, managed care plans, PBMs, and other insurers.</p>
PRICING CONSIDERATIONS	The maximum price set by the Commission shall be commensurate with the price of the drug in other states and countries, with full consideration of the overall cost of researching, developing, and producing the drug or biological product in light of the number of years the drug or biological product has been made available for distribution.
DRUGS COVERED	Does not specify.
STATUS	Referred to Assembly Financial Institutions and Insurance Committee.



PDAB-LIKE LEGISLATION

STATE	Pennsylvania SB 190 (2025)
MODEL	No specific approach adopted – The Pharmaceutical Transparency Review Board serves to review drugs and develop recommendations for addressing affordability burdens faced by residents, state and local government agencies, commercial health plans, health care providers, employers, pharmacies licensed in the state and other stakeholders.
PLANS AFFECTED	N/A
DEFINITION OF AFFORDABILITY	<p>The Board shall review the following manufacturer-reported information to develop reports and recommendations:</p> <ol style="list-style-type: none"> (1) The costs for the development and manufacturing of the drug, including: <ol style="list-style-type: none"> (a) Total U.S. research and development costs paid by the manufacturer. (b) Total U.S. clinical trial and regulatory costs paid by the manufacturer. (c) Total costs of materials, manufacturing, and distribution for each of the previous three years. (d) U.S. R&D costs paid by third parties, including government programs, subsidies, or grants. (e) Costs to acquire the drug, including patent rights, licensing, or corporate acquisitions. (f) U.S. marketing and advertising costs for the previous three years, including: <ol style="list-style-type: none"> (i) Consumer-directed promotions, coupons, and redeemed amounts. (ii) Direct or indirect promotion to prescribers. (iii) Other advertising costs. (2) Five-year history of average WAC increases, with effective months. (3) Total profit from the drug in the U.S., in dollars and as a percentage of company profits for each of the previous three years. (4) Aggregate rebates provided to all payers in the state for each of the previous three years. (5) Patient assistance programs in the U.S., including: <ol style="list-style-type: none"> (a) Total financial assistance for the previous three years. (b) Assistance provided to residents of the state for the previous three years. (c) Average per capita assistance and drugs covered in the state for the previous three years. (d) Eligibility and benefit structure, including coupons. (6) Payments or incentives to hospitals, healthcare providers, or physicians in the state attributable to the drug, including fees, meals, research, consulting, donations, grants, or rebates for each of the previous three years.
DRUG SELECTION PROCESS	N/A
PRICING CONSIDERATIONS	N/A
DRUGS COVERED	Manufacturers are required to report specific information for drugs that either (1) have a WAC cost of \$5,000 or more annually, or per course of treatment if less than a year, and have increased by 50% or more over the past five years or have increased by 15% or more over the past 12 months, or (2) have created an affordability burden in the state, as determined by the Board.
STATUS	Referred to Assembly Financial Institutions and Insurance Committee.

LEGISLATION MODIFYING CURRENT PDABS

STATE	Maine LD 697 / SP 314 (2025)
SUMMARY	No specific approach adopted – The Board shall assess strategies to reduce the rate of growth in prescription drug spending and to reduce cost barriers for consumers.
STATUS	Held by governor.
STATE	Maryland SB 357 / HB 424
SUMMARY	This bill expands the Board's authority to set UPLs from applying solely to state purchasers to applying to all prescription drug purchases and payor reimbursements in the state, except for reimbursements under Medicare Parts C and D, 340B purchases, and purchases by federal agencies or programs that federal law preempts the state from regulating.
STATUS	Enacted.
STATE	Oregon SB 289
SUMMARY	Adds "up to" language so the Board is permitted, but not required, to identify nine drugs (i.e., "up to nine drugs"). Changes the reporting requirement from quarterly to annually. Modifies the Board's reporting requirements on status of the generic drug market.
STATUS	Enacted.
STATE	New Hampshire HB2
SUMMARY	Dissolves the state's PDAB.
STATUS	Enacted (effective July 1, 2025).
STATE	New Hampshire HB 645
MODEL	Creates reporting requirements for state's PDAB.
SUMMARY	Failed. The bill is moot in light of HB2's passage, which effectively dissolved the state's PDAB.
STATE	New Hampshire HB 570
SUMMARY	Repeals the state's PDAB.
DRUGS COVERED	N/A
STATUS	Failed. The bill is moot in light of HB2's passage, which effectively dissolved the state's PDAB.

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