HIV+HEP
POLICY INSTITUTE

May 29, 2025

Chair John Lawn
Joint Committee on Health Care Financing
Attn: Timonthy O'Neill
24 Beacon Street, Room 236
Boston, MA 02133

Chair Cindy Friedman
Joint Committee on Health Care Financing
Attn: Adelina Huo
24 Beacon Street, Room 313
Boston, MA 02133

RE: Written Testimony in Opposition to S.875 — Proposal to Create a Prescription Drug Affordability Board

Dear Chair Lawn and Chair Friedman,

The **HIV+Hepatitis Policy Institute** is a leading national HIV and hepatitis policy organization promoting quality and affordable healthcare for people living with or at risk of HIV, hepatitis, and other serious and chronic health conditions. While we share a commitment to addressing the high cost of prescription drugs, **we have significant concerns with S.875 that establishes a Prescription Drug Affordability Board (PDAB).** We believe it will not translate into lower drug costs for patients and may dampen future drug development.

Access to and affordability of the latest drugs are especially critical for patients living with HIV, hepatitis, cancer, and rare diseases. People with HIV and hepatitis B rely on drug treatments that they must take for the rest of their lives, while people with hepatitis C can be cured of their disease in as little as 8 to 12 weeks. We also now have medications that prevent HIV.

Not long ago, an HIV diagnosis was all but a death sentence. Today, thanks to decades of sustained progress and investment, people living with HIV can lead long and healthy lives. Instead of relying on multiple daily medications with severe side effects, patients now benefit from highly effective and well-tolerated single-tablet regimens. Looking ahead, advancements such as longer-acting treatments, vaccines, and even the potential for a cure are within reach.

There are now even drugs that prevent HIV, either as daily orals or an injection every two months. Later this year, a twice-yearly option is expected to be approved by the FDA, with additional long-acting prevention drugs in development.

Price-setting mechanisms like Upper Payment Limits (UPLs) imposed by a PDAB fail to account for the complexities of both drug pricing and the broader drug development ecosystem. This approach could discourage investments in new treatments and slow the development in advances we desperately need, and also risks creating significant barriers to patient access.

Patient Affordability of HIV, Hepatitis, & Other Drugs

We understand the need to address the affordability of prescription drugs, but it is important to recognize the existing substantial safety net programs that help people afford HIV and other essential medications. The AIDS Drug and Assistance Program (ADAP), part of the nationwide Ryan White HIV/AIDS Program, provides assistance to over 291,000 low-income people living with HIV. The program, currently funded with $900 million in federal funds, provides HIV and other medications at little or no cost, copay assistance, and helps patients purchase insurance coverage. In addition to government funding, drug manufacturers contribute over $1 billion in rebates to states, further offsetting the cost of HIV medications.

Similar to HIV treatments, Hepatitis C (HCV) medications have undergone transformative advancements over the past decade, dramatically improving cure rates and reducing treatment duration. The introduction of direct-acting antivirals has revolutionized HCV care, offering cure rates exceeding 95% often within eight to twelve weeks. Competition and negotiated pricing have significantly reduced the costs of these drugs over time, making them much more accessible to those who need them.

The 340B Drug Pricing Program plays a vital role in expanding healthcare access for underserved communities. Through this program, states and clinics associated with the Ryan White Program purchased $2.8 billion in prescription drugs, generating rebates that help people afford their medications and support other health services. Nationwide over $66.3 billion in prescription drugs were purchased through the 340B program.

In the private insurance market, drug manufacturers provide copay assistance to people to help them pay for their medications. In 2023, that totaled $23 billion nationwide. Additionally, as part of the Medicaid program, manufacturers contribute $42.5 billion in rebates to states, further reducing the financial burden of prescription drugs for low-income populations. For those who are uninsured, many manufacturers provide free medications through patient assistance programs.

Due to the preventive services requirements of the Affordable Care Act (ACA) and the “A” grade received by Pre-Exposure Prophylaxis (PrEP) from the U.S. Preventive Services Task Force (USPSTF), insurers are mandated to cover all PrEP drugs and associated services without cost-sharing, thereby removing financial barriers for PrEP users.

These existing safety nets and affordability programs demonstrate why a PDAB is unnecessary to address the cost of HIV and related drugs. Moreover, the imposition of UPLs through a PDAB will lower the rebates and disrupt funding that sustain these programs, jeopardizing access to life-saving medications and critical patient services.

In recent months, the federal government has taken steps to suspend or restructure key HIV programs, contracts, and personnel. These interruptions jeopardize more than three decades of progress in treatment access and prevention. They have introduced uncertainty into the funding streams and service networks that people with HIV rely on every day. At a time when this national infrastructure is already under strain, additional state-level interventions, such as affordability reviews or upper payment limits, could compound that disruption and make it harder for individuals to stay in care, adhere to treatment, and achieve viral suppression. Especially for low-income and marginalized populations, continuity of care is not optional; it is lifesaving.

State Limitations in Addressing the Complex Landscape of Drug Pricing

Drug pricing is shaped by a global ecosystem and involves extensive research and development, clinical trials, manufacturing, distribution, and regulatory frameworks. Pharmaceutical companies must not only fund future treatments and cures but also absorb the high costs of drug development failures, factors that cannot be accounted for in government-imposed price controls on a single drug. Companies that are involved in HIV provide drugs for PEPFAR, the Global Fund, other philanthropic endeavors, and voluntarily enter licensing agreements in which they donate and provide medications at a low cost or at a loss to low and middle-income countries. States do not have the knowledge and expertise to effectively navigate these complexities. Efforts to set drug prices at the state level risk oversimplifying this process, leading to unintended consequences such as reduced availability of medications or delays in access to new treatments.

Alternative Solutions

Instead of expanding the authority of the PDAB, we urge lawmakers to pursue policies that directly tackle affordability barriers without threatening access or new drug development including:

- Better Regulate Pharmacy Benefit Managers and Insurer Practices: Require transparency in PBM operations and mandate that rebates and discounts be passed directly to patients.
- Strengthen Patient Assistance Programs: Ensure that payments made through copay assistance programs count toward patients' deductibles and out-of-pocket maximums.
- Reduce Patient Costs Directly: Promote insurance plans with fixed, predictable copayments instead of high, unpredictable co-insurance rates, and eliminate prescription drug deductibles for certain plans.

These targeted solutions will meaningfully lower costs and improve access for patients, achieving tangible benefits without the harmful consequences or administrative complexities associated with PDABs.

The **HIV+Hepatitis Policy Institute** remains committed to advancing policies that ensure access to affordable medications while fostering the development needed to fight HIV and hepatitis. **We urge you to oppose S.875 and recommend exploring alternative approaches that directly address affordability without risking access or undermining medical advancements.**

If you have any questions or need any additional information, please do not hesitate to reach out to our Government Affairs Manager, Zach Lynkiewicz, at zlynkiewicz@hivhep.org.

Sincerely,

Carl E. Schmid II
Executive Director

cc: Members of the Joint Committee on Health Financing