

### Why The Minnesota Legislature's PDAB Is a Windfall For Insurers

Legislation has been introduced in Minnesota that will establish a so-called "Prescription Drug Affordability Board" (PDAB). While well-intended, the creation of this board could give greedy insurance companies another tool in their toolbox to deny claims and cut coverage of needed medicines for patients. As patients have unfortunately seen time and time again, having health insurance does not guarantee their treatment costs will be covered. Giving more power to insurance companies by could perpetuate this coverage denial while keeping their profits high. Minnesota lawmakers need to know the facts about this board before they rush this legislation through in the Omnibus.

#### Here's how the PDAB will empower insurers:

- The board will be authorized to impose an "upper payment limit" (UPL) for certain medicines. Minnesota providers cannot bill for than the UPL for a drug (even if they had to purchase the drug at an amount greater than the UPL), and state-regulated health plans and Medicaid cannot reimburse more than the UPL. It does not require health plans to use the UPL to set the price a patient pays for the prescription medicine, so the board fails to accomplish its goal of lowering costs at the pharmacy counter. In fact, any cost savings realized by this payment limit *would be handed to insurance companies with no mandate that any of those dollars are shared with patients.*
- There's no assurance that this UPL won't be used as a tool to deem a drug as too expensive and therefore not covered by a health plan. Since health insurance providers have a wide discretion of what drugs and treatments are covered by their policies, they have unwieldy power to deny claims for services that are not "medically necessary."
- Who could sit on this board? The very insurance company executives which are prone to deny doctors and patients coverage of medically necessary treatment in order to benefit their bottom line.

#### Billion-dollar insurance companies already deny coverage to chronically-ill patients:

- A [2023 ProPublica investigation](#) found that UnitedHealthcare – one of the top five largest health insurance providers in the United States – denied coverage of a university student's treatments for a crippling case of ulcerative colitis because they deemed his case as a "high dollar account." As the student's health worsened, he pleaded with the health plans to cover the treatments, explaining changes in dosage would have detrimental effects to his short and long term health.
- A [lawsuit](#) ultimately brought to life the fact that the health plan gave "zero weight to the treating doctor's opinion on the necessity of the treatment regimen" as they were clearly more concerned with costs of care.
- Data from a [Kaiser Family Foundation study](#) shows that about 1 in 7 claims for treatments are rejected by insurance companies, leaving patients limited recourse to fight these denials.

What will stop insurance companies from continuing their deceptive practices of dictating the coverage of treatments for sick patients if their CEOs sit on an advisory board that can deem a treatment "unaffordable?" As this legislation is written, there are no accountability and transparency measures to do so.

If a PDAB is established in Minnesota, patients – especially ones living with cancer, rare diseases, and chronic illnesses – will have fewer drugs and treatments to choose from, ultimately compromising their health.

**Minnesota patients ask that you vote no on a prescription drug advisory board!**