



Nov. 27, 2023

Colorado Prescription Drug Affordability Board
Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202

Madam Chair and Honorable Members of the Colorado Prescription Drug Affordability Board:

On behalf of over 100 member hospitals and health systems, the Colorado Hospital Association (CHA) thanks the Prescription Drug Affordability Board (Board) and Board staff for the opportunity to comment on the upcoming affordability reviews and the Board's decision on whether to set an upper payment limit (UPL) for the five selected drugs.

As voiced previously, Colorado hospitals are concerned that when a UPL is established, the difference between the purchase price and the new reimbursement rate could be so significant that it impacts hospitals' ability to provide lifesaving care and treatment. This unintended consequence could jeopardize access to care and innovative treatments that cure diseases or keep a disease in remission. Colorado hospitals and health systems purchase a high volume of drugs used to treat patients in both the inpatient and outpatient settings, meaning that when prices rise, these community institutions are significantly impacted. Managing prescription drug spending is essential for hospitals' overall financial viability.

The majority of Colorado hospitals are members of Group Purchasing Organizations (GPOs), which allow hospitals to band together and realize savings through economies of scale. Given that these multistate GPOs are not based in Colorado and are national in scope, a UPL set by the Board would not change the purchase price but may significantly decrease the reimbursement to hospitals. However, this is not a unique scenario for hospitals, as Medicare reimbursement rates for a number of drugs have failed to keep pace in recent years.

Additionally, Colorado hospitals are concerned that establishing a UPL could limit a patient's access to vital medication. The five drugs chosen for an affordability review all play key roles in managing a patient's condition and preventing unnecessary hospitalization. CHA urges an all- system approach in determining if a drug is unaffordable and should have a UPL set, balancing the need to reduce patient out-of-pocket costs while protecting access to vital treatment.

CHA would be happy to discuss further or seek additional member feedback upon request. Thank you for your time and consideration of these concerns.

Regards,

Adeline Ewing

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