

Understanding the Potential Risks of Prescription Drug Affordability Boards and Upper Payment Limits

National Pharmaceutical Council researchers examined questions about how these policies could affect patients, pharmacies, and providers.

WASHINGTON, DC, UNITED STATES, August 19, 2026 /EINPresswire.com/ -- A new National Pharmaceutical Council (NPC) [commentary](#) in the American Journal of Managed Care (AJMC) warns of the potential consequences to patients, pharmacies, and providers from upper payment limit (UPL) implementation.

As state prescription drug affordability boards (PDABs) move towards UPL implementation at inconsistent rates, it is important to forecast the potential impact on the healthcare system and patient access.

The [following Q&A](#) provides additional context for the analysis and its findings.

Q: What is a prescription drug affordability board (PDAB)?

A: A PDAB is a state board created to address the cost of prescription drugs. Advocates for PDABs often emphasize their mission to ensure that patients in their states have access to affordable prescription drugs. Some PDABs also have the purported authority to set upper payment limits, or maximum reimbursement amounts, for certain payers.

Patients and pharmacists have shared concerns about whether PDABs can accomplish their stated mission, and many legal questions remain.

Q: What is an upper payment limit (UPL)?

A: A UPL is the maximum reimbursement certain payers can provide pharmacies and providers for a drug. A UPL caps what a payer reimburses but does not lower the acquisition cost pharmacies and providers pay, require coverage, or guarantee lower out-of-pocket costs.

Q: Which states established PDABs with permission to set UPLs?

A: Courts are still evaluating whether PDABs can set UPLs. Four states have taken action to

establish PDABs with UPL authority: Colorado, Maryland, Minnesota, and Washington. Other states, including Virginia and Illinois, have recently debated legislation to establish new PDABs with UPL authority.

Q: Which states have set UPLs, and where do things stand?

A: No UPLs are in effect. The Colorado and Maryland PDABs have voted to implement UPLs for several drugs, though they have not gone into effect yet. A federal judge blocked a Colorado state panel from capping the price of an arthritis and autoimmune treatment. Minnesota and Washington are progressing through varying stages toward UPL setting. As PDABs move toward UPL implementation at inconsistent rates, it is unknown what short and long-term impacts they will have on patient access and the states' overall health care systems. It is also unknown what legal challenges they will face.

Q: How could UPLs affect patients?

A: UPLs risk worsening patient access by state; given existing incentives in coverage decisions, payers may remove UPL drugs from formularies, shift them to higher cost-sharing tiers, or impose stricter utilization management. [Analysis from NPC](#) found state-specific risks of UPLs to patient access, including potentially worsened formulary coverage, higher cost sharing, and increased utilization management. The analysis compared current access to 14 PDAB-selected drugs between the four states whose PDABs have UPL authority and non-UPL states.

Q: What could UPLs mean for pharmacies and providers?

A: UPLs introduce uncertainty into reimbursement and acquisition costs for pharmacies and providers that dispense and administer drugs. Because a UPL caps what a payer reimburses without changing what a pharmacy or provider pays to acquire a drug, reimbursement can fall below acquisition cost. New financial and logistical risks could lead some to limit or stop stocking UPL drugs, particularly smaller community-based or rural pharmacies and providers with tighter margins.

Q: What should states learn from federal price-setting efforts?

A: State UPLs can learn from federal price-setting efforts such as the Inflation Reduction Act (IRA) and international reference pricing. Early evidence from the IRA's Drug Price Negotiation Program suggests it may offer only limited cost-sharing reductions while introducing risks to patient access, as payers place select drugs or their alternatives on less favorable tiers or apply new utilization management. And a recent CBO analysis suggests that the IRA cost more than it was originally projected to. In short, UPL implementation carries risks common to government price regulation attempts without clear or known benefits for patients.

About the National Pharmaceutical Council

NPC serves patients and society with policy-relevant research on the value of patient access to innovative medicines and the importance of scientific advancement. We envision a world where advances in medicine are accessible to patients, valued by society, and sustainably reimbursed by payers to ensure continued innovation. For more information, visit www.npcnow.org and follow NPC on LinkedIn.

Rebekah Pepper

National Pharmaceutical Council (NPC)

+1 202-827-2078

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[YouTube](#)

[X](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/935437572>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.