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**National Groups:**

Hepatitis Education, Advocacy & Leadership  
(HEAL) Group  
Industry Advisory Group (IAG)  
National ADAP Working Group (NAWG)

May 30, 2025

The Honorable Joe Lombardo  
Office of the Governor, State Capitol Building  
101 N. Carson Street  
Carson City, NV 89701

**Delivered via electronic mail**

Dear Governor Lombardo,

**The Community Access National Network (CANN)** is a 501(c)(3) national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis. CANN's mission is to define, promote, and improve access to healthcare services and support for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking. CANN's coalition-based work is done on behalf of the patient advocacy groups, pharmaceutical partners, and government agencies.

**CANN respectfully urges VETO of AB 259**

We recognize the good intentions behind AB 259. Those intentions should be commended and pursued with legislation that adequately protects access to care for Nevadans, especially patients living with chronic and rare health conditions in a fashion that protects independent pharmacies and in ways that do not ultimately divest from the healthcare interests of marginalized communities. Unfortunately, AB 259 does not protect patients, will cause harm to the state's healthcare infrastructure and sustainability, and, ultimately, will not reduce costs patients face at the pharmacy counter.

The mechanisms described in the bill will incur hidden costs rather than saving money. Setting an MFP reference price cap would be detrimental to the state Medicaid program and other entities serving vulnerable populations. The state Medicaid program, qualified clinics, and other covered entities buy treatments at a discount or otherwise receive rebates under either the 340B program or the Medicaid Drug Rebate Program (MDRP) to help treat vulnerable patients, sustain public health programs, and otherwise reinvest savings to provide needy patients with medications and care they might not otherwise be able to afford. Under a "reference pricing" design, health facilities, such as hospitals or clinics, will receive lower reimbursements for prescribed treatments and, therefore, generate fewer dollars to support patients and the care needed to live and thrive. Similarly, fewer dollars would be available under the MDRP to

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[www.tiicann.org](http://www.tiicann.org)

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reinvest in the state's Medicaid program, shifting sustainable funding burdens more to state appropriators and away from existing funding mechanisms ([Laws, 2023](#))

**It is important to note that the current fiscal analysis of impact is improbable. It operates on the assumption that the MDRP would be exempt. However, the plain language of the bill does not express such an exemption.**

Statewide healthcare facilities would be subject to financial losses because their drug purchase expenditures are based on national wholesale prices. However, their reimbursements would be capped at the MFP. Unlike the IRA MFP program, in this bill, they would not be reimbursed anything from manufacturers to make up for the difference. Financial losses mean that patients could lose access to needed medications when facilities can no longer afford them and make decisions to utilize other medicines that may not be as effective but are more fiscally sound. Decreasing the quality of care would potentially result in adverse patient outcomes, which would increase costs due to treating issues that would not exist with more appropriate care.

Patient costs are determined by the design of the insurance plan, which includes cost-sharing requirements such as copays and coinsurance. Insurance plan design is controlled by Pharmacy Benefit Managers (PBMs). [In a formal administrative complaint, the Federal Trade Commission explained the extent of the predatory manipulation of drug prices for profit.](#) They select high-cost, high-rebate medications to include on formularies in lieu of lower-priced, identical versions of the same medications.

Implementing a statewide price cap using the MFP as reference pricing will cause more harm than good, with patients bearing the burden of the harm. There will be a loss of patient access, increased patient costs, and additional cost burdens to the state, [including increased administration costs.](#) Moreover, arbitrary and capricious rate setting will disincentivize the industry to innovate when haphazard cost controls hamper effective return on investment. It is not worth stagnating and blocking future medical cures to effectuate insignificant savings in the present.

For the benefit of your constituents, we urge you, Governor Lombardo, to explore other means to address the complexities of our healthcare system and **VETO AB 259.**

Respectfully submitted,



Ranier Simons  
Director of State Policy, PDABs  
Community Access National Network (CANN)

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On behalf of  
Jen Laws  
President & CEO  
Community Access National Network