



**Mailing Address:**

Attn: Jen Laws  
PO Box 3009  
Slidell, LA 70459

**Chief Executive Officer:**

Jen Laws  
Phone: (313) 333-8534  
Fax: (646) 786-3825  
Email: [jen@tiicann.org](mailto:jen@tiicann.org)

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**National Programs:**

340B Action Center  
PDAB Action Center  
Transgender Leadership in HIV Advocacy  
HIV/HCV Co-Infection Watch

**National Groups:**

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

February 26, 2024

The Honorable Glenn Younkin  
Office of the Governor, Commonwealth of Virginia  
1111 East Broad Street, 3rd Floor  
1111 East Broad Street, 3rd Floor

Delivered via electronic mail

Dear Governor Youngkin,

**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 requests VETO of HB 1724**

We recognize the good intentions behind HB 1724. Those intentions should be commended and pursued with legislation that adequately protects access to care for Virginians, 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, HB 1724 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 "Prescription Drug Affordability Board" described in the bill will cost money instead of saving it. Through [analysis conducted](#) via an independent consulting group hired by the state's Medicaid program, the Oregon Prescription Drug Advisory Board found that a UPL would result in limited to no financial savings for the state's Medicaid program and would have adverse fiscal effects for 340B, safety-net providers. Reducing rebate values would destabilize the Medicaid program due to losing value to the state's Medicaid Drug Rebate Program, necessitating additional appropriations to make programs and providers whole. Similarly, rebate revenue reduction would also harm 340B program providers, including crippling the ability of the AIDS Drug Assistance Program and safety-net providers such as FQHCs to serve the vulnerable populations that depend on them to survive.

Community Access National Network (CANN)  
[www.tiicann.org](http://www.tiicann.org)

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In January 2025, *The New York Times* [emphasized this point](#) in an article, explaining the unintended harms of the Inflation Reduction Act's insulin price caps, which operate in the same manner as Upper Payment Limits. As a result, many of the lowest-income patients lost access to needed medications because their clinics were unable to provide them in an affordable manner. **Policy designs that inadvertently drain revenues from programs meant to serve low- and middle-income patients to provide paltry savings to the state or high-income families are not an outcome of “improving affordability” or “increasing access”; they are upward wealth redistribution.**

The statutory language of the bill structures PDABs to target medications treating populations living with rare and chronic diseases. This is because the design targets the most expensive medications instead of the drugs with the most widespread utilization. Rare and chronic disease treatments are expensive in nature but are used by small populations that cannot afford the risk of access to their treatments for life-threatening ailments. By design, HB 1724 will result in discriminatory selection of and reduced access to medications treating and preventing disabling health conditions. This is not conjecture - every single state with an existing PDAB has targeted medications for health conditions like cystic fibrosis, HIV, and rheumatoid arthritis.

Presently, several states that have instituted PDABs have spent millions of dollars over several years without any resulting cost savings or any tangible actions to date. Directly, Virginia would not benefit from utilizing scarce resources for an experimental venture that already has evidence of being overtly harmful to vulnerable communities, families, and individuals. The language of the bill has not changed since it was vetoed the first time. However, the evidence against its effectiveness has changed - it has grown.

Ultimately, CANN respects the work and effort of the Virginia Legislature. We well know you care about your constituents, your neighbors, and even your own families. We also understand that you want to address the complexities of our healthcare system, which leave far too many patients behind. In these issues, we agree. However, a PDAB by any name, especially one with the power to impose an upper price limit, is simply not the way to get there.

It is for these reasons, we urge you, Governor Youngkin to **VETO HB 1724**

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