



April 1, 2026

Dear Chairman Talbot, Vice Chairman Bass, and Members of the Louisiana Senate Insurance Committee:

On behalf of Consumer Action for a Strong Economy (CASE), a leading voice for pro-growth, free-market policies that support American consumers, we write to urge you to oppose Louisiana [Senate Bill 369](#) and [Senate Bill 401](#). By effectively restricting manufacturers from charging more than Medicare's Maximum Fair Price (MFP) and implementing a Prescription Drug Affordability Board (PDAB), these proposals will introduce more price controls on essential medications, while failing to address the real drivers of high drug costs.

Government-imposed price controls—like those proposed in SB 369 and SB 401—discourage innovation by undermining the incentives that drive pharmaceutical research and development (R&D). The development of new medications is a costly, [high-risk](#) process that often requires years of investment. Price-setting policies that threaten companies' ability to develop and deliver cutting-edge medications will slow innovation and delay or even prevent the delivery of new cures to patients.

Studies already show that price controls restrict access. A report released last year by the National Community Pharmacists Association [revealed](#) that nearly one-third of independent pharmacies chose not to stock drugs subject to the Inflation Reduction Act's Medicare drug price “negotiations.” It's clear that when prices are artificially capped, patients end up paying the price through limited access.

The United States is the world leader in biopharmaceutical innovation, but price controls like those proposed before this committee risk undermining that leadership. Among OECD countries, the U.S. accounts for [the majority of spending on new](#), innovative medicines, while others contribute far less. In many cases, that imbalance stems from government price-setting policies. Experience abroad has shown that the price controls implemented in Europe have wreaked havoc on medical innovation, and we don't want to see the same happen in the United States or in Louisiana.

Moreover, government price-setting mechanisms—whether through direct price capping or a PDAB—fail to address insurers' and PBMs' role in driving up costs. The three largest PBMs, which collectively control [roughly 80%](#) of the market, are incentivized to push higher list prices in order to pocket more rebates and discounts that are supposed to be passed on to consumers. Between 2017 and 2022, the three largest PBMs generated more than [\\$7.3 billion](#) in revenue tied to these pricing schemes. Rather than addressing these underlying dynamics, the proposed policies risk reinforcing a system that props up intermediaries at the expense of patients.

Louisianans need solutions that lower healthcare costs without jeopardizing access to care and innovation. CASE urges you to oppose SB 369 and SB 401 and instead pursue reforms that protect access and innovation for Louisiana patients.

Thank you for your time and consideration on this important matter.

Sincerely,

Gerard Scimeca, Chairman
Consumer Action for a Strong Economy