



April 28, 2026

Dear Chair Firmont, Vice Chair Illg, and members of the Louisiana House 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 401](#). By implementing a Prescription Drug Affordability Board (PDAB), this proposal would introduce additional 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 401—discourage innovation by undermining the incentives that drive pharmaceutical research and development (R&D) for new innovative treatments. Drug development is a costly, [high-risk](#) process that requires years of investment. Price-setting policies that threaten manufacturers' ability to develop 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 through a government program, patients pay the price through limited access.

The United States is the world leader in biopharmaceutical innovation, but price controls like those proposed before this committee could undermine that leadership. Among OECD countries, the U.S. accounts for [most of the spending on new](#), innovative medicines, while other nations routinely contribute far less. This imbalance is driven by government price-setting policies, as seen in places like Europe, where price controls have wreaked havoc on medical innovation and access, and we don't want to see this happen in Louisiana.

Moreover, government price-setting mechanisms through a PDAB fail to address insurers' and PBMs' roles in driving up costs. The three largest PBMs, which collectively control [roughly 80%](#) of the market, are incentivized to inflate list prices to capture larger rebates and discounts that often never reach 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, SB 401 risks reinforcing a system that props up healthcare 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 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,

Consumer Action for a Strong Economy (CASE)