

COMMITMENT[✓]to SENIORS

February 10, 2024

The Honorable R. Creigh Deeds, Chairman
Senate Committee on Commerce and Labor
Senate Room B, General Assembly Building 201 N. 9th Street
Richmond, VA 23219

Dear Chairman R. Creigh Deeds:

Commitment to Seniors, a project of American Commitment, writes to you today to strongly urge the committee to oppose [HB 1724](#), which would establish a Prescription Drug Affordability Board (PDAB) in the state of Virginia and impose price controls on prescription drugs. This same PDAB legislation was already considered and [vetoed by Governor Youngkin](#) last year after he determined it would fail to reduce costs for patients. Given this history, seeing this proposal resurface without any meaningful changes that would hold Pharmacy Benefit Managers (PBMs) accountable and deliver actual savings for Virginians is concerning.

As you may already know, AARP has positioned itself as the leading proponent of this initiative, but legislators must understand the organization's true motivations. Despite branding itself as an advocate for seniors, AARP's financial interests are deeply entangled with UnitedHealth, the nation's largest health insurance company. This arrangement has earned AARP over \$1.1 billion annually in corporate royalties, creating a perverse incentive for AARP to push policies that benefit insurers rather than seniors, and a PDAB fits that mold perfectly.

Big PBMs like OptumRx, which UnitedHealth Group owns, have received mounting scrutiny for pocketing massive prescription drug discounts meant for patients while big insurers charge patients based on phony list prices. Yet, HB 1724 does nothing to address these shady business practices and instead enables the PDAB to impose harsh price controls, completely misdiagnosing the problems in our prescription drug market. This approach mirrors the deeply flawed drug pricing provisions of the AARP-backed Inflation Reduction Act (IRA), which [polling shows](#) has failed to deliver meaningful savings to patients.

Governor Youngkin was right to veto this misguided proposal last year, recognizing that a PDAB would not deliver on its promises. Instead of rehashing a policy that has failed to gain approval, lawmakers should focus on addressing skyrocketing insurance premiums and supporting meaningful PBM reform legislation. Older Americans should also expect an influential "advocacy" organization as powerful as AARP to lead the charge on such issues and allegations.

I strongly urge you to reject House Bill 1724 again and ensure that any policy pursued in the name of affordability benefits Virginia patients—not corporate insurance interests. This legislation is a non-solution that would keep costs high at the pharmacy counter and result in fewer developed drugs for older Americans.

Thank you for your time and consideration.

Sincerely,

Phil Kerpen

President, American Commitment