

June 5, 2025

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

RE: Please Veto AB 259 & Consider Alternative High Drug Pricing Solutions

Dear Governor Lombardo,

On behalf of the Association of Women in Rheumatology (AWIR), we are writing to express our deep concerns regarding AB 259 and to respectfully request that you veto this bill. While we understand the importance of managing and controlling prescription drug costs, we believe that AB 259, as currently written, will have unintended and detrimental impacts on rheumatologists and their patients across Nevada.

The bill's provisions seek to cap provider reimbursement by enforcing a maximum fair price (MFP) model without sufficiently addressing necessary physician add-on fees. The buy-and-bill model, which is widely used by rheumatologists, involves the purchase and administration of drugs by the healthcare provider, who then bills the insurer. This model allows for streamlined patient care, lower costs, and increased accessibility to essential medications administered in-office. Under AB 259, the reimbursement limitations imposed by the MFP model will likely discourage providers from utilizing buy-and-bill, effectively forcing patients into costly hospital settings to receive their treatments.

Additionally, independent practice providers will find themselves at a competitive disadvantage compared to hospitals that benefit from the 340B Drug Pricing Program. Under this federal program, hospitals obtain medications at significantly reduced costs, yet often provide these treatments at higher administration fees, transferring costs to patients. A UC Berkeley School of Public Health study showed that "hospitals eligible for federally mandated discounts charge insurers 300% higher for infusion drugs than what they pay for them."¹ This discrepancy exacerbates an already challenging situation for patients requiring rheumatologic care.

We are also concerned that AB 259 does not address broader systemic issues contributing to high drug prices, particularly those associated with pharmacy benefit managers (PBMs). There is strong evidence, including recent Federal Trade Commission (FTC) reports and legal actions, suggesting PBMs play a significant role in driving up drug costs.² A more effective approach

¹ <https://publichealth.berkeley.edu/articles/spotlight/research/study-shows-that-hospitals-impose-major-price-markups>

² <https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-releases-second-interim-staff-report-prescription-drug-middlemen>

could involve delinking PBM incentives from drug price negotiations and implementing rebate pass-through protections. Notably, Colorado has set a precedent by passing the nation's first PBM delinking bill on June 2, 2025, demonstrating a potential pathway for meaningful drug price reform.³

In conclusion, while AWIR supports efforts to reduce drug costs, we believe that AB 259 will unintentionally harm patient access and provider viability in the field of rheumatology. A more balanced approach, such as the one realized in Colorado, should be considered to ensure fair drug pricing without compromising patient care or provider sustainability.

We hope you will consider these perspectives and veto AB 259 to allow for the development of a more comprehensive solution that ensures affordable and accessible healthcare for all Nevadans.

Thank you for your attention to this critical matter.

Sincerely,

Gwenesta Melton, MD
Vice President & Advocacy Co-Chair
AWIR

Stephanie Ott, MD
Advocacy Co-Chair
AWIR

CC Lindsey Miller, State Public Health Resource Officer
 Isabel Graf, Policy Director

³ <https://leg.colorado.gov/bills/hb25-1094>