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SB 669

March 4, 2020

TO: Members of the Senate Finance Committee

FROM: Nicholas Blendy, Deputy Director of Government Relations

RE: Senate Bill 669 – Public Health—Prescription Drug Affordability Board and Fund

POSITION: SUPPORT

Chair Kelley, Vice Chair Feldman, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 669.

In Maryland in 2018, over 63 million prescription drugs were filled.¹ Prescription drugs prices remain a major concern for all Americans and Marylanders and it is easy to see why. On a per capita basis, adjusting for inflation, drug spending increased from \$90 in 1960 to \$1,025 in 2017.² More than half of all adults over 65 report taking four or more prescriptions, but one in five report not taking their full drug regimen due to cost.³

The formation of the first-of-its-kind Maryland Prescription Drug Affordability Board was an enormously positive step, but now it is time to make sure they can do their job.⁴ In January, the Board—which is made up of world experts in health economics and

¹ Number of Retail Prescription Drugs Filled at Pharmacies by Payer. Keiser Family Foundation: State Health Facts. Accessed at: <https://www.kff.org/state-category/health-costs-budgets/prescription-drugs/>

² What are the recent and forecasted trends in prescription drug spending? Keiser Family Foundation. 21 Feb 2019. Accessed at: <https://www.kff.org/slideshow/what-are-the-recent-and-forecasted-trends-in-prescription-drug-spending/>

³ Kirzinger, A; Neuman, T; et al. Data Note: Prescription Drugs and Older Adults. 9 Aug 2019. Accessed at: <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

⁴ Wiggins, O. The nation’s first drug affordability board is set up in Maryland, but it has no money. The Washington Post. 22 Aug 2019. Accessed at: https://www.washingtonpost.com/local/md-politics/the-nations-first-drug-affordability-board-is-set-up-in-maryland-but-it-has-no-money/2019/08/22/286071c8-c50f-11e9-9986-1fb3e4397be4_story.html

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policy— met and began to discuss future directions of their work.⁵ Dr. Gerard Anderson of Johns Hopkins stated that the main categories for investigation are high-cost specialty drugs, widespread common drugs (i.e. insulin), and drugs with a sudden price hike.⁶

These particular targets of concentration are excellent. According to the Kaiser Family Foundation, costly new specialty drugs were the major driver of recent spikes in health spending.⁷ And in the case of insulin, drug manufacturers have continually pledged to “do something” about the unaffordable prices of the drug that was discovered in 1922, but they have provided little more than small patches to the problem.⁸

We have all heard the harrowing stories of people becoming ill or dying due to drug affordability problems. This is unacceptable in our great state and our Prescription Drug Affordability Board can present real solutions to these problems. We must make sure they are adequately funded in order to do the best work possible.

We respectfully request a **favorable** report on Senate Bill 669.

⁵ DePuyt, B. Prescription Drug Affordability Panel Gets to Work. 13 Jan 2020. Accessed at: <https://www.marylandmatters.org/2020/01/13/prescription-drug-affordability-panel-gets-to-work/>

⁶ Ibid.

⁷ What are the recent and forecasted trends in prescription drug spending? Keiser Family Foundation. 21 Feb 2019. Accessed at: <https://www.kff.org/slideshow/what-are-the-recent-and-forecasted-trends-in-prescription-drug-spending/>

⁸ Rowland, C. Under fire over high prices, Eli Lilly promised cheaper insulin in 2019. The result has some senators steamed. The Washington Post. 27 Dec 2019. Accessed at: https://www.washingtonpost.com/business/economy/under-fire-over-high-prices-eli-lilly-promised-cheaper-insulin-in-2019-the-result-has-some-senators-steamed/2019/12/26/6c440b44-204e-11ea-86f3-3b5019d451db_story.html