

TESTIMONY BY THE PRESCRIPTION DRUG AFFORDABILITY BOARD

SB 669 Public Health – Prescription Drug Affordability Board and Fund

The Prescription Drug Affordability Board SUPPORTS SB 669

Legislation from the 2019 Session of the General Assembly established a Prescription Drug Affordability Board in Maryland (HB 768). The Board is tasked with evaluating expensive drugs and recommending appropriate methods for addressing the increasing cost of pharmaceuticals. It is the first such program in the nation. The following is an update on the progress towards implementing the recent legislation.

- The Board members have been appointed.
 - Van T. Mitchell, Chair (Speaker/President Appointee)
 - Eberechukwu Onukwugha, Ph.D. (Speaker Appointee)
 - Dr. George Malouf, Jr. (President Appointee)
 - Gerald F. “Jerry” Anderson, Ph.D. (Attorney General Appointee)
 - Joseph F. Levy, Ph.D. (Governor Appointee)
- The Board has conducted two meetings (January 13 and February 24), with a third meeting scheduled for April 20, 2020 at 1:30pm in the Miller Senate Building in Annapolis, Maryland.
- The Governor’s FY 2021 Budget Allowance includes \$750,000 and 5 new positions. These funds and positions are part of the Maryland Health Care Commission, until such time as the Board can be established as a separate entity.
- SB669 Public Health-Prescription Drug Affordability Board and Fund proposes to create a permanent funding source for the Board. The proposed legislation identifies four different entities that the Board can assess fees.
 - Manufacturers
 - Wholesale Distributors
 - Pharmacy Benefit Managers
 - Health Insurance Carriers
- Preliminary analyses by the Board has determined that there are over 1,400 of these entities, all currently licensed by either the Maryland Pharmacy Board (Manufacturers and Wholesale Distributors) or the Maryland Insurance Administration (Pharmacy Benefit Managers and Health Insurance Carriers).
- The Fund has a cap of \$2,000,000 per year. However, preliminary work on the budget estimates that the base budget need for Fiscal 2022 will be approximately \$1 million, which would limit the initial fee assessments to no more than \$1,000 per entity.
- Once the funding source is created, the Board plans to reimburse MHCC for funding from the MHCC Special Fund on Board activities.