



Testimony of Paul Schwartz

February 7, 2024

Senate Finance Operations Committee

SB 388 – Prescription Drug Affordability Board –
Authority for Upper Payment Limits and Funding
(Lowering Prescription Drug Costs For All Marylanders
Now Act)

I am Paul Schwartz, State Legislation Chair for the
National Active & Retired Federal Employees – NARFE.

I testify today in support of SB 388

I served as a government official for three federal
agencies for almost 40 years

And I will tell you that one of the primary responsibilities
of government is to protect its citizens

NOT ensuring affordable pricing of pharmaceuticals so that our citizens DO NOT have to forego needed medication is an abdication of government responsibility

GRANTED, applying Research & Development costs to domestic sales and not foreign sales of the same product occurs because of price controls in nations such as Great Britain, Canada and Mexico and which do not, for the most part, occur in the U.S.

Clearly, we do NOT want to IMPEDE R&D, but that is NOT the point or the problem, as is made quite clear in the research provided in the study titled **Profits Over Patients**, and, I quote:

“In 2022 manufacturers of the 10 drugs with the highest expenditures by Maryland payers, including Medicare, Medicaid, and certain commercial insurance plans, pharmaceutical companies spent \$9 billion more on stock buybacks, dividends, and executive compensation than on Research & Development”.

The need to provide the Prescription Drug Affordability Board with the authority to oversee pharmaceutical **profit margins** and ensure *fair market value* pricing of pharmaceuticals for all Marylanders is critical to the well-being of our citizens.

I'll leave you with two word: **MARTIN SKRELLI**