



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 8, 2024

The Honorable Joseline A. Peña-Melnyk
Chair, Senate Finance Committee
Room 241, House Office Building
Annapolis, MD 21401-1991

RE: House Bill 340 – Prescription Drug Affordability Board – Authority for Upper Payment Limits (The Lowering Prescription Drug Costs for All Marylanders Now Act) – Letter of Information

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of information for House Bill (HB) 340 – *Prescription Drug Affordability Board – Authority for Upper Payment Limits (The Lowering Prescription Drug Costs for All Marylanders Now Act)*. The bill requires \$1 million in funding for the Prescription Drug Affordability Board to be included in the Governor’s budget each year, and requires the Board to establish a process for setting upper payment limits for all purchasers and payor reimbursements of prescription drugs in the State that the Board determines have led or will lead to affordability challenges.

The Department supports initiatives by the Prescription Drug Affordability Board (PDAB) that result in cost-savings to the State and consumers. The Department notes that the Maryland Medical Assistance Program (Maryland’s Medicaid program) may need certain flexibilities before adopting upper payment limits established by PDAB in order to maximize savings. The Department will continue to work with the PDAB on establishing flexibilities for our Medicaid program.

The Department looks forward to the PDAB’s Upper Payment Limit Action Plan on setting upper payment limits for state and local governments, and its continued work on addressing prescription drug prices.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron at sarah.case-herron@maryland.gov or (410) 260-3190.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Secretary