



Testimony of Paul Schwartz

February 6, 2025

Senate Finance Committee

SB357 – Prescription Drug Affordability Board –  
Authority for Upper Payment Limits and Funding  
(Lowering Prescription Drug Costs For All Marylanders  
Now Act)

I am Paul Schwartz, National Region Vice President of  
the National Active & Retired Federal Employees –  
NARFE.

I testify today in support of SB357

As we pointed out during last year’s hearing, “In 2022 for  
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”.

By the way, R&D costs can always be factored into the Board's pricing so that is a false concern.

Today over \$1 Billion is spent monthly on pharmaceutical advertising.

“Jardiance is really swell, the little pill with the great big story to tell”

However, as you well know it wasn't the pharmaceutical industry that caused this bill to not pass last year; it was the Board's claim that they were not ready to take on the expanded authorities.

Accordingly, this time I want to shift focus to the rising cost of healthcare

The cost of healthcare, especially the price of pharmaceuticals, in America is simply unaffordable for many Americans including many Marylanders.

With the change in administration in Washington, we cannot rely on the federal government to address this ongoing threat to Marylanders.

There is even talk of removing the \$35 cap on insulin (for those on Medicare) as well as Medicare's ability to negotiate pricing which had been sought for decades until it finally passed two years ago.

It is going to be up to you to help Marylanders afford their healthcare and their prescription drugs.

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.

If the Board isn't ready this time, get a new Board

I'll leave you with two words as I did last year: **MARTIN SKRELLI**