

FEBRUARY 6, 2025

# Making Prescriptions More Affordable Would Improve Health, Quality of Life

## Position Statement Supporting Senate Bill 357

*Given before the Finance Committee*

Being able to afford prescription medications is critical to Marylanders' health and quality of life. Senate Bill 357 will help more Marylanders access essential medications by giving the state's Prescription Drug Affordability Board (PDAB) the expanded authority to set statewide upper payment limits. Access to prescription medication should never be a privilege afforded only to those with financial means—it is a necessity for the health and well-being of individuals and families across our state. **The Maryland Center on Economic Policy supports Senate Bill 357, because Maryland has an opportunity to further its leadership in the fight for prescription drug affordability and ensure that no resident has to choose between filling their prescriptions and meeting their basic needs.**

At the Maryland Center on Economic Policy (MDCEP), our mission is to advance public policies that create an inclusive, equitable, and prosperous Maryland. We envision a state where all people—regardless of race, income, or background—have the opportunity to achieve economic security and thrive. We believe that economic opportunity is deeply connected to access to affordable healthcare, and prescription drug affordability is a key component of that equation. When individuals are forced to skip doses or forgo medications altogether due to cost, they are more likely to experience worsening health conditions, which can lead to costly emergency room visits, lost wages, and financial instability. These consequences disproportionately impact Maryland's low-income residents, seniors, and communities of color, further deepening health and economic inequities.

The high cost of prescription drugs is a crisis that affects every Marylander. According to polling, as many as 45% of Maryland residents report struggling to afford the medicines they need, with one-third skipping doses, rationing medication, or leaving prescriptions unfilled due to cost. At the same time, rising prescription drug costs contribute to higher health insurance premiums, putting additional strain on families, workers, and employers. Despite claims that high drug prices are necessary for innovation, pharmaceutical companies spend far more on advertising, executive compensation, and stock buybacks than on research and development. Instead of prioritizing patients, many of these companies prioritize profits, leaving Maryland families to bear the burden.

With federal action on this issue uncertain under the current administration, it is more important than ever that Maryland continues to lead the way in prescription drug affordability efforts. SB 357 represents a bold and necessary step toward ensuring that Marylanders are not left behind. By expanding the Board's authority, we can provide meaningful relief to families, seniors, and individuals with chronic conditions—people who are struggling with impossible choices between paying for medication, rent, groceries, or other essentials.

All Marylanders, regardless of income or insurance status, should be able to afford the medications they need to stay healthy and thrive. For these reasons, **The Maryland Center on Economic Policy urges the committee to make a favorable report on SB 357.**

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## Equity Impact Analysis: Senate Bill 357

### *Bill Summary*

SB 357 grants Maryland's **Prescription Drug Affordability Board (PDAB)** the expanded authority to set statewide upper payment limits, making high-cost medications more affordable for all Marylanders.

### *Background*

The high cost of prescription drugs is a crisis that affects every Marylander. According to polling, as many as 45% of Maryland residents report struggling to afford the medicines they need, with one-third skipping doses, rationing medication, or leaving prescriptions unfilled due to cost. At the same time, rising prescription drug costs contribute to higher health insurance premiums, putting additional strain on families, workers, and employers. Despite claims that high drug prices are necessary for innovation, pharmaceutical companies spend far more on advertising, executive compensation, and stock buybacks than on research and development. Instead of prioritizing patients, many of these companies prioritize profits, leaving Maryland families to bear the burden.

Maryland has already made progress in addressing this issue through the work of the Prescription Drug Affordability Board, which has developed and approved its Upper Payment Limit Action Plan for state and local governments. However, this progress must be expanded to include all Marylanders, not just those covered by public programs. SB 357 would provide the Board with the necessary authority to set payment limits statewide, giving all residents relief from excessive drug costs and ensuring that they can access the medications they need to maintain their health and quality of life.

### *Equity Implications*

With federal action on this issue uncertain under the current administration, it is more important than ever that Maryland continues to lead the way in prescription drug affordability efforts. SB 357 represents a bold and necessary step toward ensuring that Marylanders are not left behind. By expanding the Board's authority, we can provide meaningful relief to families, seniors, and individuals with chronic conditions—people who are struggling with impossible choices between paying for medication, rent, groceries, or other essentials.

### *Impact*

Senate Bill 357 will likely **improve the racial, health and economic equity** in Maryland.