



House Bill 424

*Prescription Drug Affordability Board - Authority for Upper Payment Limits
(Lowering Prescription Drug Costs for All Marylanders Now Act)*

MACo Position: **SUPPORT**

To: Health and Government Operations
Committee

Date: February 6, 2025

From: Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 424, which enhances the authority of the Prescription Drug Affordability Board to establish a process for setting upper payment limits for prescription drug purchases and payor reimbursements in the state. This legislation strengthens efforts to address the financial burden of skyrocketing drug prices on local governments and their employees.

Counties, as public employers, bear the increasing costs of prescription drugs through the health insurance coverage they provide to employees and their dependents. While counties subsidize these health plans, employees also share the expense through premiums, co-payments, and deductibles. Unchecked prescription drug price increases make it more difficult for counties to offer comprehensive and affordable health benefits while straining local budgets.

HB 424 offers a targeted approach to controlling excessive prescription drug costs by allowing the Prescription Drug Affordability Board to establish upper payment limits. This ensures that payors such as local governments are not subject to unpredictable and unaffordable price spikes. By improving price predictability, this bill helps counties responsibly budget for employee healthcare expenses while ensuring that employees continue to receive the medications they need.

MACo supported the creation of the Prescription Drug Affordability Board in 2019 as a necessary step in addressing prescription drug affordability. HB 424 builds upon that foundation by strengthening the Board's ability to address affordability challenges.

For these reasons, MACo urges a **FAVORABLE** report on HB 424.