

Wes Moore, Governor · Aruna Miller, Lt. Governor · Ryan Moran, DrPH, MHSA, Acting Secretary

March 27, 2025

The Honorable Joseline A. Peña-Melnyk Chair, House Health and Government Operations Committee 241 House Office Building Annapolis, MD 21401-1991

RE: Senate Bill 357 – Prescription Drug Affordability Board – Authority and Stakeholder Council Membership (The Lowering Prescription Drug Costs for All Marylanders Now Act) - Letter of Support as Amended

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of support as amended for Senate Bill (SB) 357 – Prescription Drug Affordability Board – Authority and Stakeholder Council Membership (The Lowering Prescription Drug Costs for All Marylanders Now Act).

SB 357 would require the Prescription Drug Affordability Board (PDAB) to establish a process for setting upper payment limits for purchases and payor reimbursements of prescription drugs in the State that the Board determines have led or will lead to affordability challenges, and authorizes the Board to reconsider an upper payment limit for a drug that becomes a current shortage.

The Department supports PDAB initiatives that result in cost-savings for the State and consumers. However, 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 supports the amendments that were adopted to require the Board to confer with the Medical Assistance program on the effects that upper payment limits would have on Medicaid-covered drugs to avoid any adverse impacts from the setting of upper payment limits.

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, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely, Ryan B. Moran

Ryan B. Moran, DrPH, MHSA Acting Secretary