

February 3, 2025

**RE: Concerns Regarding the Impact of Expanding the State Drug Affordability Board on Marylanders & Innovation**

Honorable Members of the Maryland General Assembly,

The Alliance for Health Innovation (Alliance) represents a diverse group of stakeholders including patients, providers, caregivers, biopharmaceutical innovators, and business communities, all committed to promoting healthy aging and fostering innovation in healthcare. Led by the Global Coalition on Aging (GCOA), the Alliance advocates for policies that support a thriving healthcare sector, enabling Marylanders and others to live longer and healthier lives.

On behalf of the Alliance, we write to you to share our concerns on the legislation (SB357/HB424) that seeks to expand the authority of the prescription drug affordability board (PDAB) in Maryland.

The Alliance is deeply concerned that SB357/HB424, which would enable the Maryland PDAB to set upper payment limits (UPLs) on prescription drugs that impact patients covered by commercial health plans, threatens to further increase costs for Maryland taxpayers and negatively impact the ability of patients to access medicines that help them manage complex conditions. Alarming, this bill to expand the board's work has been introduced despite the board failing to deliver the promised financial relief to patients in the form of lower out-of-pocket costs at the pharmacy and incurring significant costs to taxpayers since its enactment.

SB357/HB424 expands the PBAB's current authority to set UPLs on certain prescription medicines to include commercial health plans. It does so by giving the board, in consultation with the PDAB Stakeholder Council, the authority to set the price of selected medicines following a drug "affordability" review. All patients living with complex and chronic conditions, such as HIV, cancer, arthritis, and many more rely on timely access to the treatments their physician prescribes. UPLs could limit reimbursement to Maryland providers, hospitals, and clinics – threatening the ability of such entities to stock and store treatments and provide high-quality care to patients. If these entities can no longer provide patients with the necessary treatments, Marylanders may be forced to travel farther, incur greater costs to access their treatment, and suffer worse health outcomes.

While doing so, expanding the board's operations would also increase the burden on taxpayers who have already footed a costly bill for PDAB activities since the board was enacted. For 2024 alone, the Maryland PDAB's allowed operating [expenses](#) totaled over \$1.4 million. In [Maryland](#), and other states that currently have a PDAB, such as [Colorado](#), PDAB startup costs have reached from \$730,000-\$750,000. A survey of key state healthcare stakeholders, including hospitals, pharmaceutical manufacturers, and retail pharmacies, conducted by the PDAB in [Oregon](#), found that 47% of respondents believed that a UPL would have a negative financial impact on their organizations. Despite the significant resources needed to establish and manage these boards, the efforts of established PDABs have [not resulted in any cost savings](#) to patients to date.



UPLs are likely to decrease reimbursements from payers to pharmacies and providers for certain drugs – leading to significant access challenges for older Marylanders and other patient populations. While this may save payers in the short term, we believe Maryland’s pharmacies and providers will be forced to respond by limiting patient access to newer – and often more expensive – innovative medicines if not adequately reimbursed.

Many diseases that once burdened aging populations have evolved into manageable chronic conditions due to modern, safer, and more effective treatments, allowing many patients to live longer, healthier lives. However, while there have been significant strides to discover new treatments in recent decades, there remains a vast unmet patient need for new solutions to complex, age-related health challenges, including Alzheimer’s disease, HIV, heart disease, cancer, bone health, and more. Unfortunately, price limits will undercut incentives to research and discover innovations critical to achieving healthier, more productive societies.

We strongly urge you to consider the harmful consequences that SB357/HB424, and any efforts to further expand the Maryland PDAB through additional authority to set UPLs, pose to patients, taxpayers, and the environment that supports the development of new medicines. Across the country, PDABs and UPLs have cost taxpayers millions in establishment and management costs and have yet to produce any savings for patients.

Expanding the board’s authority prior to understanding the true impact on patients, Maryland’s care delivery system, the supply chain, and taxpayers is disruptive and premature – and the funds dedicated to this effort would be better allocated to other efforts to support patients who are struggling to access treatments and care. Instead of relying on the failed experiment of PDABs, Maryland legislators should instead advance policies that would meaningfully lower costs for patients at the pharmacy counter while safeguarding access to medicines.

On behalf of the Alliance and the broader community, we thank you for your leadership and urgent attention to this issue. We are happy to discuss our concerns further or answer any questions you may have.

Thank you,

Michiel Peters  
Head of Advocacy Initiatives, Global Coalition on Aging