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**HB 424 Prescription Drug Affordability Board – Authority for Upper Payment Limits  
(Lowering Prescription Drug Costs for All Marylanders Now Act)**

**February 6, 2025**

**House Health and Government Operations Committee**

**FAVORABLE**

Good afternoon, Chair Peña-Melnyk and Members of the House Health and Government Operations Committee. I am Tammy Bresnahan; I am the Senior Director of Advocacy for AARP Maryland. I am submitting this testimony on behalf of AARP Maryland and its more than 850,000 members in Maryland, with an emphasis on the growing population of aging Marylanders who face significant challenges related to prescription drug affordability. We stand in strong support of HB 424, which authorizes the Prescription Drug Affordability Board to set upper payment limits for prescription drugs that pose an affordability challenge for consumers, employers, and the state. We thank Vice Chair Cullison and Delegate White Holland for sponsoring this vital piece of legislation.

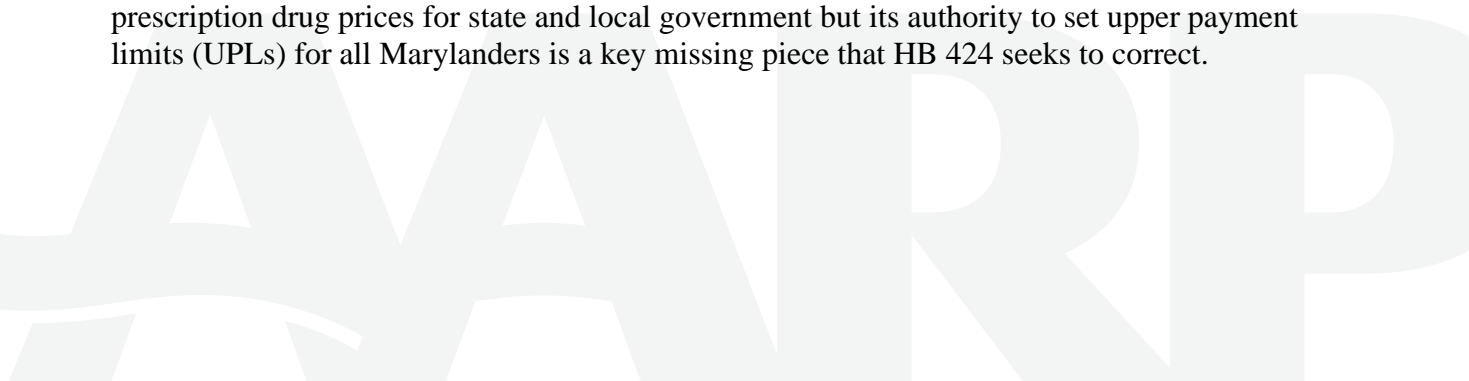
**The Burden of Prescription Drug Costs on Aging Marylanders**

Maryland's aging population is rapidly increasing, and with it, the number of older adults who depend on life-saving and chronic condition management medications. According to recent reports, nearly nine in ten older adults take at least one prescription medication, and four in ten take five or more daily medications. For many older Marylanders living on fixed incomes or Social Security benefits, rising drug prices threaten their ability to maintain their health and financial stability.

- In 2022, more than 25% of Maryland seniors reported skipping doses or forgoing necessary medications due to cost.
- High drug prices disproportionately affect older individuals managing chronic diseases, such as diabetes, arthritis, heart disease, and cancer. These conditions often require long-term medication use, amplifying the financial strain.
- The Maryland Department of Aging projects that by 2030, nearly one in four Marylanders will be 60 years or older, further intensifying the need for systemic drug cost reforms as the population between 50 and 64 most often lack health insurance and prescription drug coverage as they are not Medicare eligible.

**Why HB 424 Is Critical**

The Prescription Drug Affordability Board was established to help address skyrocketing prescription drug prices for state and local government but its authority to set upper payment limits (UPLs) for all Marylanders is a key missing piece that HB 424 seeks to correct.



## **The Board's Comprehensive UPL Process**

The Prescription Drug Affordability Board has demonstrated, with its knowledgeable staff and five appointed members, has worked diligently to develop a well-considered process for state and local governments. Their proposed upper payment limit process is among the most comprehensive to date, covering the entire supply chain and offering greater transparency. The Board's unanimous vote to adopt the UPL Action Plan is this past fall, especially considering federal developments, such as Medicare's new drug pricing negotiations under the Inflation Reduction Act.

Currently, two drugs under Medicare's Maximum Fair Price program are being reviewed by the Maryland Prescription Drug Affordability Board. With the approval of the UPL Action Plan, Maryland could align state upper payment limits with federal rates, potentially influencing prescription drug negotiations for state and local governments.

The UPL Action Plan, formed through a fair and thorough public discussion process, aims to efficiently establish upper payment limits while ensuring all stakeholders have ample opportunity to participate. Additionally, the plan includes safeguards to ensure that drugs under review for upper payment limits remain available to Maryland consumers.

## **Addressing the Opponents' Arguments**

Some may argue that establishing UPLs could reduce drug availability or discourage pharmaceutical innovation. However, numerous studies show that responsible cost regulation has little to no impact on innovation and instead encourages pricing transparency. Furthermore, UPLs will be thoughtfully implemented under the Board's oversight, with considerations for potential shortages and public health needs.

## **Conclusion**

For the thousands of aging Marylanders struggling under the weight of high prescription drug prices, HB 424 is not just a policy proposal—it is a lifeline. This legislation will provide immediate and long-term relief for seniors who have worked hard their entire lives and deserve to age with dignity, security, and access to affordable medications. We respectfully ask the Committee to support HB 424 and ensure that all Marylanders, especially older adults, have equitable access to the medications they need without sacrificing their financial well-being. Thank you for considering this testimony in support of this crucial legislation. If you have questions or follow up, please contact me at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.