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HB 1119

February 25, 2020

TO: Members of the House Health and Government Operations Committee

FROM: Nicholas Blendy, Deputy Director of Government Relations

RE: House Bill 1119 – Pharmacists - Required Notification and Authorized Substitution - Lower-Cost Brand Name Drug or Device Product

POSITION: SUPPORT

Chair Pendergrass, Vice Chair Pena-Melnyk, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill 1119.

Access to affordable prescription drugs can save lives and ultimately reduce healthcare costs. However, a major barrier to prescription drug accessibility is the unsustainable and rising price of prescription drugs in America. According to the National Health Expenditure published by the Centers for Medicare & Medicaid Services, the United States spent \$333 billion in 2017 on prescription drugs, up from \$236 billion in 2007, amounting to a more than 40 percent increase.¹

Rising prescription drug costs greatly harm the average American adult, who must pay almost half of all prescription drug costs out-of-pocket.² This translates to \$177 in out-of-pocket costs for the average American; for adults ages 69-79, the average out-of-pocket cost of prescription drugs increases to \$456; and for adults 80 years and older, the cost rises to \$530.³ In a recent Kaiser Family Foundation poll, due to the prohibitive cost

¹ "NHE Fact Sheet". 2019. Centers for Medicare & Medicaid Services. Retrieved 21 Feb. 2020. Available at: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet>

² "Prescription drugs." N.d. Georgetown Health Policy Institute. Retrieved 21 Feb. 2020. Available at: <https://hpi.georgetown.edu/rxdrugs/>

³ Ibid.

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of prescription medications, nearly a third of US older adults⁴ were not taking their prescribed medications and reported their condition(s) worsened as a result.⁵ Price hikes in brand name prescription drugs contribute significantly to rising prescription drug costs.⁶ Generic prescription drugs can offer a lower cost alternative to brand name drugs and increase patient access to the treatments they need.

This bill, in requiring a pharmacist to inform consumers about the availability of therapeutically equivalent generic prescription drugs, will increase transparency in the purchasing process for consumers. In Maryland, where 28% of older adults in Baltimore live below 150% of the poverty line, this bill presents an opportunity to reduce burdensome out-of-pocket healthcare expenditures and ultimately improve healthcare access for all Maryland residents.⁷

We respectfully request a **favorable** report on House Bill 1119.

⁴ Older adults was defined here as 65 years or older.

⁵ Kirzinger A et al. 9 Aug. 2019. "Data Note: Prescription Drugs and Older Adults." Kaiser Family Foundation. Retrieved 21 Feb. 2020. Available at: <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

⁶ Hernandez I et al. January 2019. "The Contribution Of New Product Entry Versus Existing Product Inflation In The Rising Costs Of Drugs." Health Affairs, 38(1). Available at <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2018.05147>

⁷ "Census Data for Older Adults (65+) in Baltimore City." 2018. United States Census Bureau. Retrieved 21 Feb. 2020. Available at: <https://data.census.gov/>