

PDAB_LetterofSupport_SB202.pdf

Uploaded by: Andrew York

Position: FAV



MARYLAND
Prescription Drug Affordability Board

16900 Science Drive
Suites 112-114
Bowie, MD 20715
pdab.maryland.gov

February 8, 2023

The Honorable Melony G. Griffith
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, Maryland 21401-1991

RE: SB202 – Prescription Drug Affordability Board - Upper Payment Limits – Letter of Support

Dear Chair Griffith:

The Maryland Prescription Drug Affordability Board writes in support of Senate Bill 202.

Ensuring that prescription drugs are accessible and affordable remains a top priority for state and federal policy makers. In 2022, six out of ten Americans reported taking prescription drugs. Yet three in ten adults reported not taking their medicines as prescribed because of cost.¹

In creating the first-in-the-nation Prescription Drug Affordability Board, Maryland led the country in devising a new approach to understanding and addressing the problem of drug affordability. This legislation will enable the Prescription Drug Affordability Board to continue its important work to make prescription drugs more affordable for Marylanders through the exploration of Upper Payment Limits.

Thank you for your consideration of this important legislation. If you have any questions, please contact Andrew York at (410) 804-0251 or andrew.york@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew York", written over a horizontal line.

Andrew York
Executive Director
Maryland Prescription Drug Affordability Board

¹ Hamel L, Lopes L, Kirzinger A, et. al. Public Opinion on Prescription Drugs and Their Prices. Kaiser Family Foundation. October 20, 2022.
<https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices> Last Accessed: 1/31/2023

SB 202_PJC_Favorable_FIN.pdf

Uploaded by: Ashley Black

Position: FAV



Ashley Black, Staff Attorney
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409, ext. 224
blacka@publicjustice.org

SB 202
Prescription Drug Affordability Board – Upper Payment Limits
Hearing of The Senate Finance Committee
February 8, 2023
1:00 PM

SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health and Benefits Equity Project advocates to protect and expand access to healthcare and safety net services for Marylanders struggling to make ends meet. We support policies and practices that are designed to eliminate economic and racial inequities and enable every Marylander to attain their highest level of health. **PJC strongly supports SB 202**, which would reestablish the Prescription Drug Affordability Board’s authority to set upper payment limits on prescription drug products that are purchased or paid for by or through certain State or local government entities, plans or programs. It would also require the Board to, under certain circumstances draft a plan of action for implementing a process to set upper payment limits for certain prescription drug products.

Many consumers have trouble affording their prescription drugs. Nationwide, approximately 1 in 4 Americans has trouble affording their prescription drugs, even with health insurance.¹ High prescription drug costs are a significant barrier to improving health and maintaining good health for many Marylanders, especially for low-income, under-insured and uninsured consumers and senior consumers with chronic medical conditions. Our healthcare system is not accessible if consumers are put in the position of having to choose between paying for their prescriptions or other necessities, like food and shelter. Without a means to control the increasing costs of prescription drugs, many Marylanders are left unable to follow the treatment recommendations of their physicians and may be at risk of further health complications.

SB 202 would help ensure that Marylanders have access to affordable prescription drugs. The Maryland General Assembly’s groundbreaking passage of the 2019 Prescription Drug Affordability Board law has served as a model for other states and SB 202 seeks to build on this success by strengthening the authority of the Board. SB 202, if passed would restore the Board’s authority to set upper payment limits for certain prescription drugs. The legislation promotes transparency in drug pricing and would help eliminate high prescription drug costs as a barrier to good

¹ Cynthia Cox, *Recent Trends in Prescription Drug Costs*, JAMA Network (2016), <https://jamanetwork.com/journals/jama/fullarticle/2510894>.

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

health for Marylanders. While Maryland has made great strides in ensuring more Marylanders can access timely healthcare, we must ensure that consumers can financially afford to follow their physician's recommendations to attain their highest level of health.

Finally, SB 202 promotes stakeholder involvement by requiring collaboration with the Board's stakeholder council on process implementation. It would also outline clear checks and balances on the Board's authority by putting in place an approval process for the Board's plan of action and an appeals process for individuals aggrieved by an upper payment limit set by the Board. Overall, SB 202 is consistent with Maryland's mission to promote the health of all Marylanders through access to care and community engagement.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **SB 202** to provide relief to Marylanders who cannot afford rising prescription drug costs. If you have any questions about this testimony, please contact Ashley Black at 410-625-9409 ext. 224 or blacka@publicjustice.org.

Testimony- SB 202 Prescription Drugs-Support-UULM-

Uploaded by: Ashley Egan

Position: FAV



Unitarian Universalist Legislative Ministry of Maryland

Shared Voices for Liberal Religious Values in Maryland

Support for SB 202

Prescription Drug Affordability Board – Upper Payment Limits

February 8 , 2023 at 3:00 p.m.

I am Betty McGarvie Crowley from Silver Spring representing the Unitarian Universalist Legislative Ministry of Maryland (UULM-MD). We are an advocacy organization, with members in 23 UU congregations throughout the state. Since our founding in 2005, health care issues have been a priority, we are an active member of the Health Care for All Coalition and join them in supporting SB 202.

UULM-MD has been a supporter since it was made a public policy issue and we were part of the coalition that passed Maryland's pioneer efforts to address the critical problem of overpriced prescription medications. The costs of life saving medications have caused individuals to not take them or ration them. These costs have caused many families to suffer serious financial consequences as major quality of life issues. We are pleased to see the progress made thus far and believe this legislation will enhance and expedite progress in this area.

SB 202 clarifies the intent of the 2019 legislation that established the Prescription Drug Affordability Board and will advance its implementation.

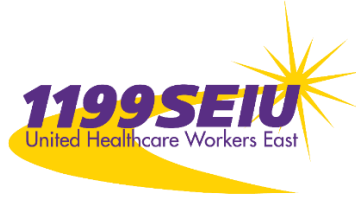
We urge a favorable report of SB 202.

Thank you, Senator Brian Feldman for introducing this legislation, Chair Melony Griffith, and the Committee who have been leaders in supporting SB 202.

SB202HB279 Prescription Drug Affordability Board U

Uploaded by: Brige Dumais

Position: FAV



SB202/HB279: Prescription Drug Affordability Board – Upper Payment Limits
Position: FAVORABLE

To Chair Griffith and Members of the Senate Finance Committee; Chair Pena-Melnyk and Members of the Health & Government Operations Committee:

My name is Ricarra Jones. I'm the Political Director of 1199SEIU United Healthcare Workers East, the largest healthcare workers union in the United States, with over 10,000 members in Maryland/DC. Our union supports SB202/HB279 to reestablish the requirement for a Prescription Drug Affordability Board. We urge your Committees to issue **favorable** reports.

Healthcare workers know firsthand the biggest barrier to accessing health care is whether or not the patient can afford it – this includes not only the initial cost of visiting a healthcare provider, it extends to the patient's ability to afford the medications recommended by that provider. 1199 members have seen patients' health deteriorate due to the patient not being able to afford their medication. The more severe an un or undermedicated patient's condition becomes, the higher their medical bill ultimately will be, and the more difficult their condition becomes to treat. The high cost of healthcare, including expensive prescription drugs, fuels an unjust cycle of poverty and illness that punishes patients for getting sick.

There is an extreme short staffing crisis across the healthcare industry in Maryland, and Maryland has the longest hospital wait-times in the entire country. To address short staffing and ensure patients can receive emergency care quickly there must be a more sustainable patient to worker ratio. The best way to alleviate the burden on overworked and underpaid healthcare workers is to raise their wages; but we also need to ensure that patients are receiving preventative and primary care so they don't end up in the hospital or a Long-Term care facility with a more severe medical condition because the patient could not afford their prescription medications.

Many healthcare workers are patients themselves. One 1199 member shared her story, saying: "I have diabetes, but my insurance does not cover the cost of my medication, and I can't afford to pay for it out of pocket. Because of this, I was not able to take my diabetes medication for four months. Leaving my illness untreated made my health worse and costs me more money later. I've been on the phone with my insurance company over 10 times pleading with them to cover my medication, but they don't care. I'm not able to focus on my health when I have to spend what little free time I have arguing with the insurance company." It is unconscionable that healthcare workers, who care for our loved ones and save lives on the frontlines of the ongoing COVID19 pandemic, are unable to afford their own prescription medications.

Establishing a prescription drug affordability board with the power to cap prescription drug costs will help healthcare workers ensure their patients can afford treatment and will save patient's lives. We urge your Committees to vote **YES** on SB202/HB279: Prescription Drug Affordability Board. Thank you.

In Unity, Ricarra Jones, Political Director, 1199SEIU UHW, ricarra.jones@1199.org

SB0202.Support.20230207.pdf

Uploaded by: Heather Forsyth

Position: FAV

ANTHONY G. BROWN
Attorney General



CANDACE McLAREN LANHAM
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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

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WRITER'S DIRECT DIAL NO.

410.576.6513

February 7, 2023

To: The Honorable Melony Griffith
Chair, Senate Finance Committee
From: The Office of the Attorney General
Re: Senate Bill 0202 (Prescription Drug Affordability Board – Upper Payment Limits): Support

In 2019, the Office of the Attorney General supported the creation of the Prescription Drug Affordability Board because the rising costs of prescription drugs was threatening the lives and health of Marylanders who were finding it increasingly difficult to afford taking their prescription drugs.

The Office supports House Bill 279, which simply reinstates the statutory provisions that sunset on January 1, 2023. The legislation imposes no new obligations—it largely reinstates the statutes that were rendered null and void by the sunset provision. State residents and stakeholders within the health care system continue to need protections from the escalating costs of prescription drug products. Allowing the Board to continue its policy work concerning upper payment limits is an important step in helping consumers by improving prescription drug affordability.

The Attorney General thanks the sponsor for this bill reinstating the statutory provisions and asks the Committee to return a favorable report on this bill.

cc: Senator Feldman

SB 202 PDAB UPLs revised testimony.pdf

Uploaded by: James Gutman

Position: FAV



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SB 202 Prescription Drug Affordability Board - Upper Payment Limits

Senate Finance Committee

Favorable

February 8, 2023

Good afternoon, Chair Griffith and members of the Senate Finance Committee. I am Jim Gutman, a Howard County resident and member of the Executive Council and lead health care advocacy volunteer for AARP Maryland. I also am a member of the Stakeholder Council, representing the public, of the Maryland Prescription Drug Affordability Board (PDAB). And for the past seven open-enrollment seasons, I have been a volunteer Medicare prescription drug plan counselor for the State Health Insurance Assistance Program (SHIP) in Maryland. Before my retirement, for 25 years, I edited and published subscription regulatory and financial newsletters about U.S. health care, including prescription drugs. I am here today representing AARP Maryland and its 866,000 members in support of **SB 202 Prescription Drug Affordability Board - Upper Payment Limits**. We thank Senator Feldman for introducing it.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people aged 50 and above, strengthens communities and fights for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

The PDAB has done a lot of excellent work since the Maryland law creating it was enacted in 2019, and it has accomplished the many needed preliminary actions despite having very limited financial resources. It now is preparing to impose the statute-authorized Upper Payment Limits (UPLs) on prescription drugs that present severe affordability challenges for the state- and local-government entities covered in the law. But while it will submit the planned regulations to the Legislative Policy Committee (LPC) as required under the law, there also is a need to codify the criteria it will use to select the Rx drugs that would be subject to UPLs, the entities that would be covered by the UPLs, and how it will make changes in UPLs when needed.

SB 202 would do all those things and do them in a clear and fair manner. The bill states that PDAB would need to consider the costs of administering and delivering the drug involved. The legislation also provides the framework that the PDAB will use in deciding on and making recommendations to the General Assembly on whether to extend UPLs to “all purchases and payor reimbursements” for prescription drugs in Maryland. The report containing those recommendations, SB 202 notes, would be presented to the legislature by December 2026 and be based on the initial Maryland experiences with UPLs, including their effect on purchases of and payor reimbursement for prescription drugs in the state.

The provisions of SB 202 contain significant protections not only for Maryland residents but also for pharmaceutical producers and entities in the prescription drug distribution chain. For instance, the bill clearly states that UPLs would not be applied to prescription drugs that are on FDA's drug-shortage list. The PDAB under SB 202 also would have to monitor the availability of any Rx drug for which it sets a UPL, and reconsider that UPL if a shortage develops.

Moreover, the bill clarifies the procedures to be used if the LPC doesn't approve or fails to act within 45 days on the PDAB's UPL action plan. In such a situation, the PDAB could submit the plan to Maryland's governor and attorney general. The board could not go ahead with new UPLs unless it has approval from either the LPC or from *both* the governor and attorney general. When it gets such approval, the PDAB also would be able to apply the UPLs to entities that act on behalf of state and local government, including prisons, state hospitals, and health clinics at state universities, thereby potentially saving them large amounts of money. It also could, with the same kind of approval, apply the UPLs for drugs bought or paid for by Maryland Medicaid. In any of these cases, the PDAB could take such action only for prescription drugs that have led or will lead to an "affordability challenge."

Given the importance and time sensitivity of the legislation, SB 202 would take effect on the date it's enacted, another big plus for state and local governments in Maryland.

For all these reasons, AARP Maryland respectfully requests that the Senate Finance Committee give a favorable report to SB 202. Thanks very much for your time and consideration. If you have questions, please contact Tammy Bresnahan at tbresnahan@aarp.org or call her at 410-302-8451.

sb202- prescription drug affordability- 2-8-'23 (F

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Finance Committee
On
Senate Bill 202
February 8, 2023
Position: **Favorable**

Madam Chair and members of the Committee, thank you for this opportunity to testify for affordable medical treatment by lowering the cost of prescription medications. My name is Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod of the Evangelical Lutheran Church in America, a faith community with three judicatories across the State.

Our community advocates for access to appropriate, adequate and affordable health care for all people in the United States (*Caring for Health*, ELCA, 2003). We include medical treatment in “appropriate and adequate care,” and therefore in any assessment of “affordable.”

We were among the advocates for the passage of the 2019 bill establishing the Prescription Drug Affordability Board in Maryland to monitor and address cost for pharmaceuticals under the State’s Medicaid program. Drug cost monitoring and containment, of course, will benefit all medical clients within the Maryland health care market.

Because of delays in implementing the Affordability Board, its mission needs some technical revision to achieve its purpose. As one of the many voices advocating for this legislation in 2019, we support **Senate Bill 202** so that the work of making medicines work by making them affordable can be done. We ask your favorable report for this emergency bill.

Lee Hudson

POG Final Testimony SB 202 2-3-2023.pdf

Uploaded by: Mat Rice

Position: FAV

People on the Go of Maryland



Senate Bill 202

Prescription Drug Affordability Board - Upper Payment Limits

Reestablishing the requirement that the Prescription Drug Affordability Board, under certain circumstances, draft a plan of action for implementing a process to set upper payment limits for certain prescription drug products; reestablishing the authority of the Board to set upper payments limits, under certain circumstances, for prescription drug products that are purchased or paid for by or through certain State or local government entities, plans, or programs; etc.

Position: Favorable

Sponsored by Senator [Feldman](#)

February 8, 2023

Assigned To Senate Finance

Written by Mat Rice

Executive Director - People On the Go Maryland

Honorable chairperson, and members of the Senate Finance Committee

People on the Go of Maryland, the statewide self-advocacy organization ran for and by those with intellectual and or developmental disabilities offers this written testimony in support of Senate Bill 202 (SB 202) which would allow the prescription drug affordability Board under certain circumstances to establish an upper limit for the prices of prescription drugs. Many People on the Go members rely heavily on prescription drugs due to their health needs. We hold the opinion that any measure which could be taken to make prescription drugs more affordable and accessible for everyone promotes the health and safety of Maryland as a whole. Moreover, this has the potential in the long-term to save lives, and have a positive economic impact on the state because when

people who need prescription drugs are able to get them they may not require as many visits to the hospital or urgent care centers. People should not be forced into a choice of paying for their food and shelter or their medicines. For all of the reasons outlined herein we respectfully request a favorable report for SB 202. Should you have any questions. Please contact Mat Rice.

Thank you,

Mat Rice, Executive Director

M: 410-925-5706

E: mat@pogmd.org

SB 202- LWVMD- FAV- Prescription Drug Affordabilit

Uploaded by: Nora Miller Smith

Position: FAV



TESTIMONY TO THE SENATE FINANCE COMMITTEE

SB 0202: Prescription Drug Affordability Board- Upper Payment Limits

POSITION: Support

BY: Nancy Soreng, President

DATE: February 8, 2023

The League of Women Voters Maryland supports **Senate Bill 0202: Prescription Drug Affordability Board- Upper Payment Limits**, which would fully fund the Board, and enable it to set limits on how much state and local governments would have to pay for high-cost prescription medications.

The League believes that healthcare is a human right, and that every resident should have access to affordable, equitable, quality health care, including essential medications.

But the cost of prescription medications is high, and rising. Per JAMA:¹

“Prescription drug spending in the US exceeded half a trillion dollars in 2020. Spending is driven by high-cost brand-name drugs, for which manufacturers freely set prices after approval...From 2008 to 2021, launch prices for new drugs increased exponentially by 20% per year. In 2020-2021, 47% of new drugs were initially priced above \$150,000 per year...”

Patients- especially those taking multiple medications to treat chronic conditions such as cardiovascular disease, diabetes, or arthritis may be unable to afford all their medications, even if they have insurance coverage that pays part of the costs. Patients may thus delay filling a prescription, cut pills in half, or skip doses altogether to stretch supply. **Healthcare providers see the dangerous consequences of their patients’ inability to afford essential medications.**

Here’s a typical example: A patient arrives in the ER with chest pain, and tests indicate he is having a heart attack. He is taken for an urgent cardiac catheterization, and stents are placed to open a clogged coronary artery. If things go well, he may be discharged home in a day or two, and given prescriptions for medications to prevent further heart damage.

During the patient’s health crisis, a team of healthcare workers was available to care for him, including the ambulance EMTs, ER staff, radiologists, techs, the interventional cardiologist and other physicians, nurses, exercise physiologists, the nutrition staff, pharmacists, and therapists. And depending on the number of stents placed, the hospital bill might be tens of thousands of dollars.

But that patient might return to the ER with chest pain weeks later, with repeat cardiac catheterization showing a clogged stent, and now, a much-weakened heart. **Sometimes the cause of that poor outcome was the patient’s inability to afford his medication.**

¹ <https://jamanetwork.com/journals/jama/fullarticle/2792986>

Senator Klobuchar and Representative Porter wrote to the Federal Trade Commission² about the high cost of two newer anti-coagulant medications taken by millions of Americans:

*“The prices for these two products have risen every year since they entered the market at a rate far outpacing inflation...**In 2020, Eliquis was the most costly drug and Xarelto the third most costly drug for all of Medicare, with gross spending of \$9.9B and \$4.7B respectively...Eliquis and Xarelto were both introduced about a decade ago, priced at just over \$200 for a month’s supply. After more than a decade of price increases...a month’s supply is priced at \$529 for Eliquis and \$516 for Xarelto...***

With passage of **SB 202**, a fully-funded Prescription Drug Affordability Board will work to set upper payment limits for prescription medications that have led to affordability challenges. This is important for the fiscal health of the state, and is also a matter of equity, as low-income Marylanders and people of color are the hardest hit by continually rising drug prices.

The League of Women Voters Maryland and its 1,500+ members urge the committee to give a favorable report for SB 202.

² https://www.klobuchar.senate.gov/public/_cache/files/7/9/7919c1e8-bf88-4821-89e8-0e834e1aed38/54B5FFB567D27EC3DB68A396E38A41FB.20220613--final-klobuchar-porter-ltr-to-ftc-doj-on-eliquis-xarelto-blood-thinner-rx-drugs.pdf

SB0202-DTMG-FAV-2-8-23.pdf

Uploaded by: Olivia Bartlett

Position: FAV



Olivia Bartlett, DoTheMostGood Maryland Team

Committee: Finance

Testimony on: SB0202 – Prescription Drug Affordability Board – Upper Payment Limits

Position: Favorable

Hearing Date: February 8, 2023

Bill Contact: Senator Brian Feldman

DoTheMostGood (DTMG) is a progressive grass-roots organization with members in all districts in Montgomery County as well as several neighboring counties. DTMG supports legislation and activities that keep all Maryland residents healthy and safe in a clean environment and which promote equity across all our diverse communities. SB0202 addresses these goals by reinstating the Prescription Drug Affordability Board which will help all Marylanders afford their medications.

The Board was established to set upper payment limits on prescription drugs, but the Board sunset on January 31, 2023. SB0202 is an Emergency Bill to reinstate the Board and extend it to February 1, 2026. SB0202 will also establish the process for setting the upper limit pricing of prescription drug products. This includes the process when there is a shortage of drugs.

Maintaining the Prescription Drug Affordability Board is essential for all Marylanders. Therefore, DTMG strongly supports SB0202 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

Olivia Bartlett
DoTheMostGood Maryland Team
oliviabartlett@verizon.net
240-751-5599

2023 MNA SB 202 Senate Side FAV.docx.pdf

Uploaded by: Robyn Elliott

Position: FAV



Committee: Senate Finance Committee

Bill Number: Senate Bill 202 - Prescription Drug Affordability Board - Upper Payment Limits

Hearing Date: February 8, 2023

Position: Support

The Maryland Nurses Association (MNA) supports *Senate Bill 202 – Prescription Drug Affordability Board - Upper Payment Limits*. The bill reinstates provisions of law regarding the authority of the Prescription Drug Affordability Board (PDAB) to set upper payment limits and related requirements, including an appeals process.

MNA supports the work of PDAB as they evaluate policies to identify and address affordability challenges for generic drugs with high prices or high price increases; explore opportunities to collect data to better understand and address specified issues; evaluate waste-free formularies as a policy to promote savings through generic drugs; explore policies to address drug shortages in Maryland; and explore partnerships and policies to support a safe and robust supply chain for generic drugs in Maryland. The costs of drugs have increased exponentially in the last few years and have become out of reach and unaffordable to the average patient and therefore the work of PDAB must continue.

We ask for a favorable report. If we can provide any additional information, please contact Michael Paddy at mpaddy@policypartners.net.

Testimony on SB 202 Upper Payment Limits 2023.pdf

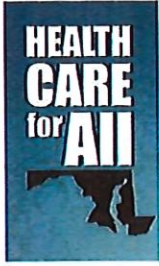
Uploaded by: Vincent DeMarco

Position: FAV



TESTIMONY IN SUPPORT OF SENATE BILL 202
Prescription Drug Affordability Board – Upper Payment Limits
Before the House Health and Government Operations Committee
By Vincent DeMarco, President, Maryland Health Care For All Coalition
February 8, 2023

Madam Chair, Madam Vice-Chair, and Members of the Finance Committee, on behalf of the over 450 faith, community, labor, business and health care organizations which are part of our Maryland Health Care For All Coalition working to make high cost drugs more affordable for Marylanders, we strongly urge you to support SB 202. This legislation makes clear the intent of the landmark Prescription Drug Affordability Board law which you enacted in 2019 that the PDAB Board, with the approval of the Legislative Policy Committee, has the authority to use upper payment limits to make high cost drugs more affordable for state and local governments in Maryland. We are very pleased with the terrific progress which the PDAB has made under the able leadership of Chair Van Mitchell and we believe that this legislation before you today will help them do their very important and life-saving work. Thank you so much to Senator Brian Feldman for introducing this measure and we thank you, the Committee Chair, and all the Members of this Committee for your leadership on this issue which has made our PDAB legislation a model for other states across the country.



1199SEIU
United Healthcare Workers East
Maryland Division

AARP Real Possibilities In

Maryland

MARYLAND ACADEMY OF
FAMILY PHYSICIANS

CASH
CAMPAIGN
OF MARYLAND



The Arc.
Maryland

NARAL
Pro-Choice Maryland



Maryland PIRG
Standing Up
To Powerful Interests

MARYLAND
NONPROFITS



CHESAPEAKE
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NETWORK

FreeState
JUSTICE



UNITE 7 HERE!



[Abilities Network®]
SEEING ABILITIES NOT DISABILITIES.



PRO BONO
COUNSELING PROJECT

BALTIMORE
JEWISH
COUNCIL



Greater Baltimore
Urban League

DYNAMIC
HEALTHCARE



NASW MARYLAND CHAPTER
National Association of Social Workers

Planned Parenthood
Care. No matter what.
Planned Parenthood of Maryland

IMAGE
dependent Marylanders Achieving
Growth through Empowerment

Women's Law Center
of Maryland



JOHNS HOPKINS
SCIENCE POLICY GRO



NCADD
MARYLAND



COMMUNITY LAW CENTER
LAWYERS FOR NEIGHBORHOODS AND NONPROFITS

Council 67
AFSCME
We Make Maryland Happen

msea
maryland state education association

YP-CDN
Young Professionals
Chronic Disease Network
Baltimore Chapter

amsa
American Medical Student Association

THE UNITED METHODIST CHURCH
Baltimore-Washington
Conference

THE EPISCOPAL DIOCESE
OF MARYLAND

MRSQA
MONTGOMERY COUNTY
Department of Health
and Human Services

**WOMEN'S ALLIANCE FOR
DEMOCRACY & JUSTICE**



Disability Rights
Maryland

MaCCRA
The Voice of CCAC Assistants



DHHS
MONTGOMERY COUNTY
Department of Health
and Human Services



INDIVISIBLE
FOR BALTIMORE COUNTY



**PHARMACISTS UNITED FOR
WITH AND TRANSPARENCY**



**DO THE MOST
GOOD**

CASA
SINCE 1974

COLLECTIVE EMPOWERMENT
GOV'T INC.

BCASCO
Sustained Power

FACE
ADDITION MARYLAND
FAMILY ASSOCIATES COALITION

DISABILI SUPPO

ACP
American College of Physicians
Leading General Medicine Specialists

Maryland Chapter



primary care coalition



Association of COUNTIES

MedChi
The Maryland State Medical Society

ADVOCATES
FOR CHILDREN AND YOUTH



Maryland Public Health Association
(MHPHA.org)

AHF
AIDS HEALTHCARE
FOUNDATION

JCRC
JEWISH COMMUNITY
RELATIONS COUNCIL
OF GREAT WASHINGTON



FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMER

LSPC

MD/DC State Council
SEIU
stronger together.

TWW
TOGETHER WE WILL.



MARYLAND ACADEMY
ADVANCED PRACTICE CLINICIANS



Maryland Legislative Agenda for Women

JOTF JOB OPPORTUNITIES TASK FORCE
ADVOCATING BETTER SKILLS, JOBS, AND INCOMES

MARYLAND
WORKING
WF
FAMILIES

Consumer Health First
Access • Quality • Equi.



LATINO PUBLIC HEALTH NETWORK
JORNALISTAS

MDCEP
MARYLAND CENTER
ON ECONOMIC POLICY



PRO BONO
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JEWISH
COUNCIL



Greater Baltimore
Urban League

DYNAMIC
HEALTHCARE



NASW MARYLAND CHAPTER
National Association of Social Workers

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Care. No matter what.
Planned Parenthood of Maryland

IMAGE
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Women's Law Center
of Maryland



JOHNS HOPKINS
SCIENCE POLICY GRO



NCADD
MARYLAND



COMMUNITY LAW CENTER
LAWYERS FOR NEIGHBORHOODS AND NONPROFITS

Council 67
AFSCME
We Make Maryland Happen

msea
maryland state education association

YP-CDN
Young Professionals
Chronic Disease Network
Baltimore Chapter

amsa
American Medical Student Association

THE UNITED METHODIST CHURCH
Baltimore-Washington
Conference

THE EPISCOPAL DIOCESE
OF MARYLAND

MRSQA
MONTGOMERY COUNTY
Department of Health
and Human Services

**WOMEN'S ALLIANCE FOR
DEMOCRACY & JUSTICE**



Disability Rights
Maryland

MaCCRA
The Voice of CCAC Assistants



DHHS
MONTGOMERY COUNTY
Department of Health
and Human Services



INDIVISIBLE
FOR BALTIMORE COUNTY



**PHARMACISTS UNITED FOR
WITH AND TRANSPARENCY**



**DO THE MOST
GOOD**

CASA
SINCE 1974

COLLECTIVE EMPOWERMENT
GOV'T INC.

BCASCO
Sustained Power

FACE
ADDITION MARYLAND
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Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Acting Secretary

February 8, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 202 – Prescription Drug Affordability Board – Upper Payment Limits – Letter of Concern

Dear Chair Griffith and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of concern on Senate Bill (SB) 202 – Prescription Drug Affordability Board – Upper Payment Limits. SB 202 re-establishes the requirement that the Prescription Drug Affordability Board (the Board) draft a plan of action for implementing upper payment limits for prescription drug products that are determined to lead to an affordability challenge for certain payers, including the Medical Assistance Program. SB 202 amends the authority under Health – General §21-2C-13 for the Board to draft and implement a plan of action to set upper payment limits. This legislation is an emergency measure and will be enacted immediately upon passage by the General Assembly.

MDH met with the House bill sponsor of SB 202's crossfile, HB 279, prior to the House bill hearing on February 2. We appreciate the willingness to discuss MDH's concerns, as well as additional follow up conversations with the Executive Director of the Prescription Drug Affordability Board. Furthermore, MDH participated in the Insurance and Pharmaceuticals Subcommittee of the House Health and Government Operations. We thank the sponsor and stakeholders in their interest in listening to and addressing the concerns MDH shares below.

The federal government sets a federal upper payment limit for drugs covered through the Fee-For-Service (FFS) program. Medicaid managed care organizations (MCOs) are exempt from the federal upper limit requirements and have greater discretion regarding negotiation of rates with their providers, either directly or through a pharmacy benefit manager. MCO reimbursement rates for drugs may thus be higher or lower than the rates paid by the FFS program.

If an approved plan of action by the Board does not comply with the federal upper payment limit requirements, the State's federal matching funds for those drugs will be at risk. Costs for any drugs purchased out of compliance with the federal requirements will need to be covered with 100% state general funds. MDH may realize savings of an indeterminate amount as a result of

the bill; however, it may also lead to a negative impact on MCOs' ability to negotiate rates with vendors increasing costs paid by the State through capitation rates.

MDH is open to continuing conversations about this bill with the bill sponsors. If you have any questions, please contact Megan Peters, Acting Director of Governmental Affairs, at megan.peters@maryland.gov or (410) 260-3190.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.
Acting Secretary

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Uploaded by: State of Maryland (MD)

Position: INFO

February 8, 2023

The Honorable Melony G. Griffith
Chair, Senate Finance Committee
Senate Office Building, 3 East
11 Bladen St.
Annapolis, MD 21401

Re: Letter of Information – SB 202 – Prescription Drug Affordability Board – Upper Payment Limits

Dear Chair Griffith and Members of the Senate Finance Committee:

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of information for Senate Bill (SB) 202 – Prescription Drug Affordability Board – Upper Payment Limits. SB 202 reestablishes the authority for the Prescription Drug Affordability Board to set upper payment limits for prescription drug products purchased through state or local government entities, plans, or programs that it determines pose an affordability challenge to consumers. The bill also requires the Board to submit a report to the General Assembly with recommendations on whether to expand their authority to set upper payment limits to all purchasers and payor reimbursements of prescription drug products in the State.

MHBE supports state-wide efforts to address high costs of prescription drug products and health care costs generally and would also like to address the potential impact reigning in high costs of certain prescription drugs would have on lowering commercial health insurance premiums. A recent report from the Maryland Health Care Commission cited prescription drugs accounted for almost a third (**29.7 percent**) of total per capita spending for privately insured markets in Maryland in 2020. The report also found a **7.2 percent** increase in per capita spending on prescription drug products between 2019 and 2020, largely accounted for by increased unit cost of products.¹ Lower prices for higher-cost prescription drugs could reduce commercial insurers' per capita spending, putting downward pressure on average monthly premiums, along with out-of-pocket drug costs for consumers.

While difficult to estimate, lowering certain prescription drug costs would also potentially decrease costs associated with the State's Reinsurance Program, which works to mitigate the impact of high-cost enrollees on premium rate increases in the individual market. Specifically, lower prescription drug costs could reduce the number of individuals whose annual costs exceed the threshold at which reinsurance payments made by the State to an individual's insurer kicks in (\$18,500 for plan year 2023).²

For further discussions or questions on SB 202, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

¹ Maryland Health Care Commission: [Spending and Use Among Maryland's Privately Insured Report, 2020](#) (2022).

² Maryland Health Benefit Exchange: [Joint Chairmen's Report – Reinsurance Program Costs and Forecast](#) (2022).

Sincerely,



Michele Eberle
Executive
Director