



MARYLAND TECH COUNCIL

TO: The Honorable Joseline A. Pena-Melnyk, Chair
Members, House Health and Government Operations Committee
The Honorable Pam Lanman Guzzone

FROM: Andrew G. Vetter
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

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RE: **SUPPORT** – House Bill 1270 – *Health Benefit Plans – Prescription Drugs – Rebates and Calculation of Cost Sharing Requirements*

The Maryland Tech Council (MTC) writes in **support** of *House Bill 1270: Health Benefit Plans – Prescription Drugs – Rebates and Calculation of Cost Sharing Requirements*. We are a community of nearly 800 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

This bill would base a patient's share of a prescription drug on the list price of the drug reduced by at least 85% of the reasonable estimated total of rebates received by an insurance carrier or pharmacy benefits manager (PBM). Negotiations between drug manufacturers, insurance carriers, and PBMs result in significant rebates and discounts that go from manufacturers to the carriers and PBMs. Under current law, those carriers and PBMs are free to keep the entire benefit of that rebate amount. Under this legislation, however, those carriers and PBMs would have to share at least 85% of those savings with patients.

Prescription drug affordability has been a major focus of the Maryland General Assembly, and separate legislation is being considered to expand the authority of the Prescription Drug Affordability Board. As MTC testified during the hearing on that legislation, we do not believe such an expansion will have the intended effect of lowering costs for patients. We believe that the solution offered in House Bill 1270 would provide immediate relief to patients. If insurers and PBMs are required to share the savings they negotiate with manufacturers with patients, patients see an immediate benefit. We urge a favorable report on House Bill 1270.