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Health and Government
Operations Committee

Subcommittees

Government Operations
and Health Facilities

Insurance and Pharmaceuticals



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of House Bill 1270 Health Benefit Plans—Prescription Drugs—
Rebates and Calculation of Cost Sharing Requirements**

February 29th, 2024

Good afternoon, Madam Chair, Madam Vice-Chair and members of the Health and Government Operations Committee. I'm Delegate Pam Guzzone representing Howard County's District 13 and I am here in support of House Bill 1270 the Maryland Share the Savings bill.

Currently, many patients with commercial health insurance are saddled with substantial out-of-pocket expenses for their prescription medicines, often far exceeding what their insurance providers pay for the same medications. This stark disparity arises because health insurance plans and pharmacy benefit managers (PBMs) frequently negotiate substantial rebates and discounts with pharmaceutical manufacturers yet fail to pass these savings along to the patients who need them most.

It's important to note that in 2022, thanks to these negotiated rebates and discounts, net prices for brand-name medicines were, on average, 50 percent lower than the list prices. However, patients often find themselves paying the full list price or a significant portion thereof, exacerbating financial strain and creating barriers to accessing essential medications. This burden is particularly pronounced for individuals living with chronic and debilitating conditions, who disproportionately bear the brunt of these inequitable policies.

The crux of the "Maryland Share the Savings" legislation is simple yet profoundly impactful: it ensures that the rebates and discounts secured by manufacturers on prescription drugs directly benefit the patients who rely on these medications by reducing their out-of-pocket expenses. Specifically, under this legislation, patient cost-sharing for each prescription is determined based on an amount equal to at least 85 percent of all the rebates received or expected to be received on the drug.

By enacting HB1270, Maryland can lead the charge in promoting fairness and affordability in healthcare. This legislative reform directly addresses the concerns of patients at the pharmacy counter, providing tangible relief to individuals grappling with the burden of exorbitant prescription drug costs. Moreover, by enhancing access to vital medications and fostering greater adherence, this bill has the potential to improve health outcomes and enhance overall wellbeing across our communities.

By championing the "Share the Savings" initiative, we can uphold the principles of fairness, equity, and compassion in our healthcare system, ensuring that all Marylanders have access to the medications they need without undue financial hardship. I respectfully request a favorable opinion on HB1270.