



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

February 26, 2025

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

**Re: Senate Bill (SB) 974 – Maryland Medical Assistance Program and Health Insurance
– Nonopioid Drugs for the Treatment of Pain – Letter of Information**

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for Senate Bill (SB) 974 – Maryland Medical Assistance Program and Health Insurance – Nonopioid Drugs for the Treatment of Pain.


SB 974 would prohibit the Maryland Medical Assistance and certain other insurers from applying prior authorization, fail-first, or step therapy protocols to any FDA-approved non-opioid drug in a manner that is more restrictive than those in place for a covered opioid or narcotic drug used for the treatment of pain starting July 1, 2026.

The Department anticipates that this legislation would have a significant fiscal impact of \$8,991,333 total funds (\$5,391,711 FF, \$3,599,622 GF) annually across both fee-for-service (FFS) and HealthChoice managed care organization (MCO). Over five years, these costs are estimated at \$46,791,259 total funds (\$28,058,680 FF, \$18,732,580 GF). This increase in costs is largely due to the elimination of prior authorizations, fail-first, and step therapy protocols for all non-opioid drugs. The Department estimates that this would result in a shift in utilization to branded, branded generic, and higher cost generic agents, some of which are more expensive. It is important to note that the Department does not anticipate any additional loss in revenue due to a loss of supplemental drug rebates.

The Department notes that enhanced utilization of FDA-approved non-opioids as a result of this proposed policy in the future may drive increased fiscal impact. Journavx is one such drug that has recently been approved. It has an associated cost of \$30 per day, which is roughly equivalent to oxycontin.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'LH Scott', written in a cursive style.

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