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

February 28, 2025

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

Re: House Bill 1013 – Maryland Medical Assistance Program and Health Insurance – Nonopioid Drugs for the Treatment of Pain – Letter of Information

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for House Bill (HB) 1013 – Maryland Medical Assistance Program and Health Insurance – Nonopioid Drugs for the Treatment of Pain.

HB 1013 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.

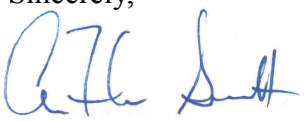
The Department anticipates that this legislation would have a significant fiscal impact of $8,991,333 TF ($5,391,711 FF, $3,599,622 GF) annually across both fee-for-service (FFS) and HealthChoice managed care organization (MCO). Over five years, these costs are estimated at $46,791,259 TF ($28,058,680 FF, $18,732,580 GF).

To implement this legislation, the Department would have to eliminate prior authorizations, fail-first, and step therapy protocols for all non-opioid drugs. Today, the majority of non-opioid analgesic medications for pain do not require prior authorization, fail first, or step therapy protocols. The majority of the preferred and non-preferred opioid options do require prior authorization and some require step-therapy as well. However, because not all opioid or narcotic drugs used for treatment of pain are subject to prior authorization, fail first, or step therapy requirements, in effect, this means that *no* non-opioid drug could be subject to prior authorization, fail first, or step therapy. This process would lead to a shift in utilization to branded, branded generic, and higher cost generic agents; some of which are more expensive. The Department does not anticipate any additional loss in revenue due to a loss of supplemental 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/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,



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