

TESTIMONY IN SUPPORT OF SENATE BILL 987

Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising

Before the Senate Budget and Taxation Committee

By Robert Laughlin

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Chair Guzzone, Vice-Chair Rosapepe, and Members of the Senate Budget and Taxation Committee, thank you for this opportunity to testify in support of Senate Bill 987.

Thanks to your leadership, Maryland created the Young Adult Subsidy Program which for over four years has helped lower-income young adults ages 18-34 purchase health coverage. This premium assistance program has been a lifeline to thousands of young adults, including myself, who struggle to afford quality health insurance. Though I have two jobs working in a restaurant and doing HVAC installation, neither job offers health insurance and I buy my health insurance from Maryland Health Connection. The state program has lowered my monthly premiums significantly, reduced my deductible by thousands of dollars, and improved my access to healthcare greatly. Before this program I was paying for an expensive plan that did not give me much coverage. I had a high deductible and was paying hundreds of dollars for visits to specialists. If I had needed to go to the emergency room, or needed other expensive treatment, I would have been put into thousands of dollars of debt. Most importantly, the premium assistance provided me with preventative care for elevated cholesterol which would have otherwise gone unnoticed.

Now, my health insurance coverage and that of millions of other Americans and tens of thousands of other Marylanders is under attack by the failure of the US Congress to extend the federal enhanced premium assistance program which expired at the end of 2025. Luckily, I live in Maryland where the State Based Subsidy Program that you passed last year and Governor Moore signed into law makes up for this gap in my premium assistance. Unfortunately, this Maryland back-up plan is only for one year. If Congress does not act this year to extend the enhanced premium assistance, which is very unlikely, and if you don't provide additional resources for the young adult and state-based subsidy programs my premiums will skyrocket next year and I will likely have to drop my health insurance coverage.

SB 987 would eliminate tax deductions for direct-to-consumer advertisement by pharmaceutical manufacturers. Funds from this legislation above \$5 million per year would go toward premium assistance. This would help ensure that myself and many others keep the benefits that we have enjoyed for the past four years. Easy access to affordable healthcare has made it possible for Marylanders to stay healthy and productive without fear of financial ruin from expensive medical bills. This law is not only important for the health and wellbeing of enrollees, but it has significant economic benefits for Maryland. By providing affordable healthcare to young and low-income adults, we can help to reduce the overall cost of healthcare in the state. This will lead to a healthier workforce, reduced absenteeism, and increased productivity.

I thank Senator Lewis Young for sponsoring this legislation. I urge a favorable report for SB 987.