



March 11, 2026

**Senate Budget & Taxation Committee
TESTIMONY IN SUPPORT**

SB 987 - Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

BHSB supports SB 987 - Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising. This bill would help generate revenue needed to mitigate the harmful effects of federal policy changes to Medicaid and the Affordable Care Act.

Changes enacted through H.R. 1, the One Big Beautiful Bill Act (OBBBA), are likely to reduce coverage for hundreds of thousands of Marylanders and cost the state billions each year. These changes are not the result of direct eligibility or funding reductions but instead rely on administrative burdens and onerous documentation requirements to achieve the desired cost reductions. This gives Maryland the opportunity to potentially avoid coverage losses by supporting enrollees in navigating the new hurdles, but funding is needed to put those systems and supports in place.

SB 987 would generate \$5 million for Medicaid eligibility operations to keep people covered despite the OBBBA changes. This funding would support technological systems and in-person navigation assistance to help remain covered. This investment would pay dividends by keeping Marylanders healthy and limiting uncompensated care costs. It would also be especially helpful in Baltimore City where 250,000 people are enrolled but many may not have the resources needed to navigate the new requirements.

The revenue would be generated by closing a tax loophole that pharmaceutical companies use to write off the \$14 billion per year costs of direct-to-consumer advertising. Ending this tax break to fully fund Medicaid eligibility services seems to be a reasonable approach in these challenging budgetary circumstances.

Maryland must do everything it can to allocate revenue towards mitigating the impacts of OBBBA and keeping Marylanders healthy. **BHSB urges the Senate Budget & Taxation Committee to support SB 987.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142 or daniel.rabbitt@bhsbaltimore.org