



**Senate Bill 987 - Corporate Income Tax - Addition Modification - Direct-to-Consumer  
Pharmaceutical Advertising**

**FAVORABLE  
Budget & Taxation Committee  
March 11, 2026**

Thank you for the opportunity to submit this testimony for SB 987 – Corporate Income Tax – Addition Modification – Direct-to-Consumer Pharmaceutical Advertising. The Maryland Managed Care Organization Association (MMCOA), which represents all nine Medicaid managed care organizations (MCOs), finances and arranges care for nearly 1.3 million HealthChoice members across the State.

As the Committee is aware, Medicaid is the safety-net insurance program that protects Maryland’s most vulnerable citizens. Moreover, Medicaid is a foundational part of Maryland’s healthcare system, providing coverage for children, pregnant women, seniors, people with disabilities, and working families. In Maryland, nearly a fifth of residents—approximately 1.4 million people—rely on Medicaid. This mirrors national trends, with one in five people in the United States enrolled in Medicaid. Importantly, Medicaid is the primary source of healthcare coverage for eight in ten children living in poverty, and nearly 40 percent of all births are financed by Medicaid.

Through HealthChoice, MCOs provide comprehensive health benefits, including primary care visits, hospital care, urgent care, prescription drugs, x-rays, and laboratory services, as well as other essential healthcare services people rely on for their well-being. Beyond comprehensive medical services, Maryland’s MCOs also provide a range of additional supports to members, such as transportation, health and wellness classes, and other important services.

Medicaid operates as a partnership between the federal government and the states. Federal Medicaid funding contributes a significant portion of the overall federal funds sent to Maryland. The Fiscal Year 2027 budget preserves HealthChoice and Medicaid funding, helping to maintain federal matching dollars for medical care programs. SB 987 would add to the resources under consideration and represent a continued investment in Medicaid in Maryland. While funding for Medicaid is always critical to maintaining a robust program, it is especially important this year given operational changes resulting from recent federal actions. Maryland Medicaid will be required to make investments to account for increased eligibility requirements for enrollees. The additional funding generated through this bill would help ensure that as many Marylanders as possible remain enrolled without disruptions to their healthcare coverage.

MMCOA respectfully requests a favorable report on Senate Bill 987.

*Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at [jwinn@marylandmco.org](mailto:jwinn@marylandmco.org).*