



***Mission:*** To improve public health in Maryland through education and advocacy ***Vision:*** Healthy Marylanders living in Healthy Communities

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**Testimony In Support of SB 987  
Corporate Income Tax - Addition Modification - Direct-to-  
Consumer Pharmaceutical Advertising  
Before the Senate Budget and Taxation Committee  
By: Maryland Public Health Association (MdPHA)  
March 11, 2026**

Chair Guzzone, Vice-Chair Rosapepe, and Members of the Budget and Taxation Committee; Under your Committee's leadership we have made great gains in Maryland in expanding access to quality, affordable health care for all Marylanders. Since the passage of the Affordable Care Act (ACA) we have gone from 13% of Marylanders being uninsured to 6%. Keeping Marylanders insured ultimately helps all of us because it reduces uncompensated care in hospitals, which in turn helps to stabilize premiums and shorten emergency department wait times for everyone. Expanding access to health coverage in Maryland has resulted in [\\$460 million in savings](#) to the health care system.

However, in the coming years hundreds of thousands of Marylanders could lose their coverage due to new administrative burdens and budget cuts from HR 1 and Congress's termination of enhanced advance premium tax credits. The resulting uncompensated care will cause everyone's health insurance premiums to rise. Maryland has made important advancements that we need to safeguard. Failure to invest now will cost the State more later.

SB 987 would combat federal attacks on Marylanders' access to health coverage, and help keep people covered. Under HR 1 there will be new work requirements and six-month redeterminations for adults who receive Medicaid through the ACA expansion. Experience from other states shows that work reporting requirements have not increased employment but have resulted in large numbers of eligible individuals losing coverage due to administrative barriers. In Maryland, most Medicaid recipients are already working or have valid exemptions like being a student, caregiver, or having a disability. The real risk is that the extra administrative steps could cause people to lose their coverage, worsening health outcomes and making it harder for them to remain employed.

SB 987 would put \$5 million per year into funding Medicaid eligibility operations, which would help the State build and maintain the infrastructure to keep Marylanders from falling through the cracks and losing their Medicaid coverage. By utilizing existing state data for eligibility verification, the enrollment and re-enrollment processes can be greatly simplified for both Medicaid participants and state staff. Community-based navigators were instrumental during the rollout of the Affordable Care Act in helping Marylanders enroll in coverage. Investing in eligibility operations would reduce the risk that people will lose coverage due to paperwork issues.

SB 987 would put funds above \$5 million into premium assistance programs that Maryland Health

Benefit Exchange would use to protect Marylanders' access to coverage. Due to Congress's termination of enhanced premium tax credits, many Marylanders who purchase private health coverage from Maryland Health Benefit Exchange are experiencing spiking health insurance premium costs, or are at risk for higher costs in the future. In 2025 Maryland wisely created the State Based Individual Subsidy Program to mitigate enrollment losses and stabilize the marketplace. This builds on the Young Adult Subsidy Program which has been in place since 2022 and helps stabilize the marketplace by bringing younger and healthier Marylanders into the marketplace. These programs have been lifesavers for Marylanders to be able to continue to afford their coverage. However, these programs are at risk due to lack of future funding. If they shrink or are discontinued even more Marylanders will lose their ability to pay for health insurance.

As one of only two countries that allows direct-to-consumer pharmaceutical advertising, the United States is an outlier. These ads, which are largely viewed as a public annoyance to television audiences, can actually do harm by driving up health care costs and compromising provider-patient relationships. With over [\\$14 billion spent in a single year](#) on these advertisements, tax-payers are footing the bill for patients to be flooded with unwanted, repeated exposure to marketing for prescription drugs they may not be able to afford.

Senate Bill 987 is an innovative way to address this issue, protecting consumers from the skyrocketing cost of prescription drugs while also generating revenue to help support the growing health care coverage demands of our state. This legislation mirrors [federal efforts](#) to eliminate tax deductions for direct-to-consumer advertisement by pharmaceutical manufacturers, which is expected to [increase federal tax revenue by \\$1.5-1.7 billion annually](#). If scaled down to represent similar metrics at a state level, Maryland could see tens of millions of dollars in increased revenue.

We thank Senator Karen Lewis Young and Delegate Natalie Ziegler for their leadership on this issue and wholeheartedly support the ongoing effort to put patients over Big Pharma profits. For too long, the pharmaceutical industry has claimed they need to keep their prices high for research and development while they have [spent many times more on advertising and self-enriching activities](#). It is time that Maryland puts an end to taxpayer sponsorship of this practice and puts our patients first. Please protect the progress that we as a state have made expanding access to quality, affordable health care for all Marylanders.

We respectfully ask the Committee to give a favorable report for Senate Bill 987.

*The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.*

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