



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

March 4, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 837– Maryland Medical Assistance Program and Health Insurance – Coverage and Utilization Review - Drugs Reviewed by the Prescription Drug Affordability Board – Letter of Opposition

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of opposition for SB 837 - Maryland Medical Assistance Program and Health Insurance - Coverage and Utilization Review - Drugs Reviewed by the Prescription Drug Affordability Board (PDAB).

SB 837 would eliminate Medicaid managed care organizations (MCOs) ability to manage and control expenditures when a drug is under review by PDAB or PDAB has made a policy recommendation relating to the drug to the General Assembly, or set an upper payment limit for the drug. Specifically, MCOs will be prohibited from (a) requiring a prior authorization, step therapy, or fail-first protocol for these drugs, (b) limiting, restricting, or excluding coverage of prescription drugs that have been reviewed by PDAB, *even when* PDAB has *not* made a determination that the drug has or will lead to an affordability challenge, and (c) limiting or reducing the maximum coverage, increasing the cost sharing, moving the medication to a more restrictive tier if the MCO uses a tiered formulary, and removing a drug from a formulary unless the manufacturer discontinues it or the FDA calls into question the clinical safety of the drug.

Restricting the ability of MCOs to use utilization management tools to manage costs for drugs reviewed by the PDAB is expected to have a fiscal impact of tens of millions of dollars due to increased utilization. Drugs referred to PDAB are likely to be higher cost medications. As PDAB reviews additional drugs year over year, the fiscal impact of this legislation has the potential to grow exponentially.

In CY 2024, MCOs spent more than \$215 million dollars on the six drugs referred to PDAB for review to date: Dupixent, Farxiga, Jardiance, Ozempic, Skyrizi, and Trulicity. The average cost per script for Jardiance is \$591 (total cost: \$27.4 million across all MCOs), and the average cost per script for Trulicity is \$959 (\$39.8 million across all MCOs). Skyrizi is by far the most expensive per script (\$19,623). Notably, some of these drugs also have off-label uses, making appropriate utilization management critical for controlling costs. For example, Trulicity and

Ozempic, can be used off-label for weight loss, and Skyrizi is used off-label to treat inflammatory skin conditions.

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Government Affairs at meghan.lynch@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Meena Seshamani', with a stylized flourish at the end.

Meena Seshamani, M.D., Ph.D.
Secretary of Health