



Value of Care Coalition

March 4, 2026

The Honorable Pamela Beidle, Chair
The Honorable Antonio Hayes, Vice Chair; and
Members of the Maryland Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St.
Annapolis, MD 21401

RE: SUPPORT - SB 837 *Maryland Medical Assistance Program and Health Insurance - Coverage and Utilization Review - Drugs Reviewed by the Prescription Drug Affordability Board*

Chair Beidle, Vice Chair Hayes, and Members of the Committee:

On behalf of the Value of Care Coalition — a broad network of patient, health care provider, and caregiver organizations committed to improving health care affordability and access — we appreciate the opportunity to submit written comments in **SUPPORT** of SB 837. We also thank Senator Ready for his engagement on this important issue.

As you know, the Prescription Drug Affordability Board's (PDAB) authority to establish Upper Payment Limits (UPLs) is currently the Board's primary — and effectively only — direct policy tool to address prescription drug costs. A UPL places a ceiling on the amount that health plans and other payers may reimburse for a specific drug in the state.

The Value of Care Coalition has consistently expressed concerns about the implementation of upper payment limits. We remain cautious about policies that rely on reimbursement caps as a cost-containment strategy, particularly where there is uncertainty about how plans, pharmacy benefit managers, and manufacturers may respond. Currently, there are no policies to mitigate the potential for unintended consequences that could disrupt patient access, destabilize provider reimbursement, or lead to new coverage restrictions.

That said, if UPL authority exists and may be implemented, it is essential that patients are protected from cost shifting and new barriers to care.

It is important that policymakers clearly consider what setting a UPL does — and does not — do. A UPL caps what a plan pays for a drug. It does not automatically reduce what patients pay at the pharmacy counter. It does not prevent insurers from increasing copays or coinsurance. It does not prohibit moving a drug to a higher-cost tier. And it does not restrict plans from adding or expanding prior authorization, step therapy, or other utilization management tools.

In other words, even if a UPL successfully lowers reimbursement at the plan level, patients may see no improvement — and could potentially face greater obstacles — absent the clear statutory guardrails in SB 837.

To better understand how plans may respond to UPL implementation, Avalere conducted double-blind interviews and a national survey of health plan representatives. In the survey results, 67 percent of payers indicated that patient cost sharing would either increase or remain the same if a UPL were implemented. Fifty percent reported they would increase utilization management requirements, and 50 percent anticipated raising copays or coinsurance. These findings underscore our concern that reimbursement caps alone do not guarantee improved affordability for patients.¹

To further understand the burden on patients, the Value of Care Coalition is currently conducting a Maryland-specific review of tiering and utilization management practices for drugs reviewed by the PDAB. Our analysis of 2026 health plans further shows that patients are already facing significant access challenges. Across the six drugs reviewed by the PDAB in Maryland's commercial and Medicaid managed care markets, prior authorization and step therapy requirements are widespread, formulary exclusions are common, and formulary treatment varies greatly across plans leading to inconsistent patient cost and access. Several carriers place these medications on Tier 4 or Tier 5 specialty tiers with high coinsurance.²

This is the landscape in which any UPL would operate.

SB 837 recognizes these realities and proposes to provide modest patient protections to ensure continued access. The bill, as amended, ensures that if a UPL is implemented, insurers and Medicaid managed care organizations may not respond by increasing cost sharing, moving a drug to a more restrictive tier, imposing or expanding prior authorization or step therapy, removing the drug from the formulary, or otherwise reducing prescription drug coverage for drugs subject to the UPL.

Additionally, as amended, these protections would apply only in markets where a UPL is actually in effect and include a limited exception if the FDA raises safety concerns or if a drug is discontinued.

While our coalition continues to have reservations about the UPL model itself, we strongly believe that if the state is going to exercise this authority, patient protections must be firmly in place. SB 837 provides those necessary safeguards and helps ensure that Maryland patients do not bear the unintended consequences of reimbursement caps.

For these reasons, we respectfully urge a favorable report on SB 837.

Sincerely,

Derek Flowers
Value of Care Coalition

¹ Partnership to Fight Chronic Disease, *Payer Perspectives Confirm UPLs Will Likely Raise Costs and Hinder Patient Access to Medicines*, March 2025, https://b11210f4-9a71-4e4c-a08f-cf43a83bc1df.usfiles.com/ugd/b11210_1e92735a49744639ac37321c6320e8c8.pdf

² Value of Care Coalition, *Maryland Health Plan Formulary Analysis*, March 2026, <https://valueofcarecoalition.org/wp-content/uploads/2026/03/MD-Health-Plan-Analysis-Initial-Findings-260302.pdf>