



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
4000 Garden City Drive
Hyattsville, MD 20785

March 4, 2026

The Honorable Pamela Beidle
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

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

Dear Chair Beidle and Members of the Committee:

On behalf of Kaiser Permanente, I am writing to express our opposition to Senate Bill 837. Kaiser Permanente remains dedicated to ensuring that our members have access to the right medications at the right time. However, we are deeply concerned by the central premise of SB 837: that a financial review by the Prescription Drug Affordability Board (PDAB) should dictate or eliminate the clinical utilization management (UM) protocols used by health plans.

The primary flaw in SB 837 is the assumption of a nexus between a drug's "affordability"—as determined by the PDAB—and its clinical necessity for a specific patient. The PDAB's mandate is economic; it evaluates wholesale acquisition costs, price spikes, and state budget impacts. Conversely, utilization management tools like prior authorization and step therapy are clinical safeguards designed to ensure patient safety and evidence-based care.

Even if the PDAB determines a drug is "unaffordable" or sets an upper payment limit, that drug may not be the most clinically appropriate or safest first-line therapy for every patient. By prohibiting UM practices based solely on a PDAB status, SB 837 strips health plans of the ability to guide patients toward the most effective, evidence-based treatments first.

Utilization management is not merely a cost-control mechanism; it is a quality-of-care mechanism. Prior Authorization ensures that a high-risk medication is being prescribed for an FDA-approved use and that the patient has no contraindications. Step Therapy (fail-first protocols) ensures that patients receive well-established, standard-of-care treatments before moving to newer, often more intensive therapies that may have more significant side-effect profiles.

Linking the removal of these protections to a PDAB economic review creates a dangerous precedent where financial metrics override clinical guidelines. This could lead to inappropriate prescribing and increased risk of adverse drug events, regardless of the drug's price tag.

As an integrated delivery system, Kaiser Permanente relies on a coordinated formulary and evidence-based protocols to provide seamless care. SB 837 would disrupt this integration by

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mandating the inclusion and unrestricted access to drugs based on external economic triggers rather than internal clinical consensus and peer-reviewed data.

For these reasons, we respectfully request an unfavorable report on SB 837.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (919) 818-3285 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor
Head of Government Relations
Kaiser Permanente Mid-Atlantic Region