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HB 88 Health Insurance – Bulk Purchasing Pools for Prescription Drugs
House Health Committee
February 5, 2026
FAVORABLE

Good afternoon, Chair Bagnall and members of the House Health Committee. I am Jim Gutman, a health care advocacy lead volunteer for AARP Maryland. I am representing that organization and its 850,000 members in the state in support of HB 88. We applaud Delegate Taveras for introducing this legislation. I am also a member of the Maryland Prescription Drug Affordability Board's Stakeholder Council, representing the public, and I have been a volunteer drug plan counselor for Maryland's State Health Insurance Assistance Program (SHIP) for the past nine years.

Given how vital and costly prescription drugs are, it is important that Maryland come up with multiple ways to make them more affordable. HB 88 does that by broadening the methods for using bulk purchasing to lower prescription drug prices. While some authorizations and programs now exist for bulk drug purchasing in the state, especially in the public sector, including Maryland's health insurance exchange, much more could be done in the private sector and — and even in the public sector.

The potential participants in such new purchasing pools, as noted in HB 88, include not-for-profit hospital systems, trade associations, labor unions, and insurers (including HMOs). The clout these groups have because of the many patients they serve, as well as their overall importance, could be a significant advantage in limiting prescription drug prices. This action could improve the situation in which so many patients now do not obtain the prescription drugs they need because they simply cannot afford them.

The bill deliberately is not prescriptive on what forms the allowable bulk purchasing pools could take. This leaves valuable room for innovative partnerships, including for both commercial and not-for-profit entities, as Delegate Taveras has explained. There are indications that several Maryland industry segments, both for-profit and nonprofit, regard this kind of clarity about what is allowable as significant.

The likely result of such new cooperation is purchasing pools that would have the needed clout to negotiate lower prices than would otherwise be achievable in dealing with giant prescription drug producers and often equally large intermediaries in the prescription drug supply chain. That could well mean more affordable drug prices for Maryland consumers.

For all these reasons, AARP Maryland urges the committee to give a favorable report on HB 88.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director, at swestrick@aarp.org or by phone at 410 310-0374.