



***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 HB 484  
Corporate Income Tax - Addition Modification - Direct-to-  
Consumer Pharmaceutical Advertising  
Before the House Ways and Means Committee  
By: Maryland Public Health Association (MdpHA)  
February 12, 2026**

Chair Wilkins, Vice Chair Feldmark, and Members of the Ways and Means Committee, thank you for the opportunity to submit testimony in favor of House Bill 484 with Delegate Ziegler’s proposed amendment.

As prescription drug costs continue to skyrocket, United States is one of only two countries that allows direct-to-consumer pharmaceutical advertising. With over \$14 billion spent in a single year on these advertisements,<sup>1</sup> tax-payers are footing the bill for patients to be flooded with marketing for prescription drugs they may not be able to afford. House Bill 484 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,<sup>2</sup> 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.

In the coming years, hundreds of thousands of Marylanders are expected to lose their coverage due to new administrative burdens and budget cuts from HR 1 and Congress’s termination of enhanced advance premium tax credits. MdpHA supports Delegate Ziegler’s proposed amendment which would use the revenue to 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 Affordable Care Act expansion. The vast majority of these adults would qualify for an exemption or already work, yet they are still at risk of losing their Medicaid coverage due to increased red tape. Delegate Ziegler’s amendment 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. The Department of Legislative Services estimated that it would cost the state \$20 million

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<sup>1</sup> CSRxP Analysis: Direct-to-Consumer (DTC) Pharmaceutical Advertising Spending, Tax Implications and Impact on Prescription Drug Costs in the U.S. March 2025. Accessed February 9, 2026. <https://www.csrxp.org/wp-content/uploads/2025/04/CSRxP-Analysis-Direct-to-Consumer-Advertising-Report.pdf>

<sup>2</sup> S.4691 - No Tax Breaks for Drug Ads Act. 118th Congress (2023-2024). July 11, 2024. Accessed February 9, 2026. <https://www.congress.gov/bill/118th-congress/senate-bill/4691/text>

to administer these new requirements in FY 2026, \$50 million in FY 2027, and \$10 million in subsequent fiscal years.

Delegate Ziegler's amendment would put funds above \$5 million into insurance subsidy 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 subsidy programs have been a lifesaver for Marylanders to be able to continue to afford their coverage. However, these programs are at risk due to lack of future funding.

We thank Delegate Natalie Ziegler and Senator Karen Lewis Young 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](#).<sup>3</sup> It is time that Maryland puts an end to taxpayer sponsorship of this practice and puts our patients first.

We thank the committee for their consideration of this legislation and urge a favorable report on House Bill 484 with Delegate Ziegler's amendment.

*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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<sup>3</sup> Ravinthiran J. Profits over patients: Spending on Self-Enrichment Exceeds Research and Development Costs for Many Manufacturers of IRA Drugs. January 18, 2024. Accessed February 9, 2026. [https://www.citizen.org/wp-content/uploads/Profits-Over-Patients\\_Final\\_1.18.24-1.pdf](https://www.citizen.org/wp-content/uploads/Profits-Over-Patients_Final_1.18.24-1.pdf)