The League of Life and Health Insurers of Maryland

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The Honorable Jheanelle Wilkins
Chair, House Ways & Means Committee
130 Taylor House Office Building
Annapolis, MD 21401

House Bill 484 - Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising

Dear Chair Wilkins,

The League of Life and Health Insurers of Maryland, Inc. supports *House Bill 484 – Corporate Income Tax – Addition Modification – Direct-to-Consumer Pharmaceutical Advertising* with amendments and urges the committee to give the bill a favorable report.

This bill provides an addition modification under the corporate income tax for the amount of direct-to-consumer advertising expenses for pharmaceutical drugs paid or incurred during the taxable year. Simply, if a drug manufacturer spends money on TV, internet, or other ads for prescription drugs, those advertising cots could no longer be deducted when calculating Maryland taxable income for corporate tax purposes. It is asinine that we would provide some of these companies a shelter from taxation in the first place, and HB 484 is a good first step towards making progress in curbing industry incentives that contribute to high drug costs and keeping life-saving medications out of the hands of Marylanders.

There are direct and significant negative consequences associated with direct-to-consumer advertising by drug manufacturers including: (1) increased health care costs through driven demand for higher priced medications; (2) unneeded pressures on clinical relationships; and (3) safety gaps with the rise of direct-to-consumer linked telehealth platforms that has created further risks due to the lack of full understanding of a patient's medical history.

If amended, HB 484 would add to the resources under consideration and represent a continued investment in Medicaid in Maryland as well as providing Marylanders not eligible for Medicaid assistance in securing coverage in the commercial market. While funding for Medicaid is always critical to maintaining a robust safety net in Maryland, it is especially important this year given operational changes resulting from recent federal actions. Maryland Medicaid will be required to make investments to account for increased eligibility requirements for enrollees. The additional funding generated through this amendment would help ensure that as many Marylanders as possible remain enrolled without disruptions to their health care coverage. It would also provide premium assistance to Marylanders that would like to provide lower cost, comprehensive coverage to themselves and their families.

The League remains deeply committed to providing access to health coverage for all Marylanders. For the above reasons, The League urges a favorable report on House Bill 484.

Very truly yours,

Matthew Celentano
Executive Director

cc: Members, House Ways & Means Committee