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HB 664

February 25, 2020

TO: Members of the House Government and Operations Committee

FROM: Nicholas Blendy, Deputy Director of Government Relations

RE: House Bill 664 – Pharmacists - Required Notification and Authorized Substitution - Lower-Costing Drugs, Medical Devices, and Biological Products

POSITION: SUPPORT

Chair Pendergrass, Vice Chair Pena-Melnyk, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 664.

Access to affordable prescription drugs can save lives and ultimately reduce healthcare costs. However, a major barrier to prescription drug accessibility is the unsustainable and rising price of prescription drugs in America. According to the National Health Expenditure published by the Centers for Medicare & Medicaid Services, the United States spent \$333 billion in 2017 on prescription drugs, up from \$236 billion in 2007, amounting to a more than 40 percent increase.¹ In Maryland in 2018, over 63 million prescription drugs were provided to patients.²

Rising prescription drug costs greatly harm the average American adult, who must pay almost half of all prescription drug costs out-of-pocket.³ This translates to \$177 in out-of-

¹ "NHE Fact Sheet". 2019. Centers for Medicare & Medicaid Services. Retrieved 21 Feb. 2020. Available at: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet>

² Kirzinger, A; Neuman, T; et al. Data Note: Prescription Drugs and Older Adults. 9 Aug 2019. Accessed at: <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

³ "Prescription drugs." N.d. Georgetown Health Policy Institute. Retrieved 21 Feb. 2020. Available at: <https://hpi.georgetown.edu/rxdrugs/>

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pocket costs for the average American; for adults ages 69-79, the average out-of-pocket cost of prescription drugs increases to \$456; and for adults 80 years and older, the cost rises to \$530.⁴ In a recent Kaiser Family Foundation poll, due to the prohibitive cost of prescription medications nearly a third of US older adults⁵ were not taking their prescribed medications and reported their condition(s) worsened as a result.⁶

In late 2018, the United States Congress passed a bipartisan ban on the “gag rule,” thereby preventing pharmaceutical benefit managers (PBMs) from gagging pharmacists from discussing lower priced options with patients.⁷ Despite the removal of the gag rule, pharmacists are still not *required* to inform patients of whether they can save money by paying with cash or receiving a generic drug.⁸ Compounding the costs for patients, insurance company copayments often exceed the price of paying for a medication with cash. Fortunately, a generic or biosimilar medication is usually available for a fraction of the price of the brand name drug.

This bill, in requiring a pharmacist to inform consumers about the availability of certain therapeutically equivalent drug and the cost differences between said drugs, will increase transparency for consumers. In Maryland, where 28% of older adults in Baltimore live below 150% of the poverty line, this bill presents the option to purchase more affordable prescription drugs. In so doing, this bill will reduce burdensome out-of-pocket healthcare expenditures and ultimately improve healthcare access for all Maryland residents.⁹

We respectfully request a **favorable** report on House Bill 664.

⁴ Ibid.

⁵ Older adults was defined here as 65 years or older.

⁶ Kirzinger A et al. 9 Aug. 2019. “Data Note: Prescription Drugs and Older Adults.” Kaiser Family Foundation. Retrieved 21 Feb. 2020. Available at: <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

⁷ Jaffe, S. No More Secrets: Congress Bans Pharmacist ‘Gag Orders’ On Drug Prices. 10 Oct 2018. Accessed at: <https://khn.org/news/no-more-secrets-congress-bans-pharmacist-gag-orders-on-drug-prices/>

⁸ Ibid.

⁹ “Census Data for Older Adults (65+) in Baltimore City.” 2018. United States Census Bureau. Retrieved 21 Feb. 2020. Available at: <https://data.census.gov/>