

TERRI L. HILL, M.D.
Legislative District 12
Baltimore and Howard Counties

Health and Government Operations
Committee

Subcommittees

Government Operations
and Health Facilities

Public Health and
Minority Health Disparities



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 214
Annapolis, Maryland 21401
410-841-3378 · 301-858-3378
800-492-7122 Ext. 3378
Fax 410-841-3197 · 301-858-3197
Terri.Hill@house.state.md.us

District Office
410-884-4380
Fax 410-884-5481

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SUPPORT

HB1107: Maryland Medical Assistance Program - Supplemental Rebate Program - Subscription Model for Hepatitis C Therapies

Dear Chairman Pendergrass, Vice Chair Pena-Melnyk, and Committee Members,

HB1107 - with the amendments I have submitted, directs the Department of Health in coordination with the Department of Public Safety and Correctional Services, and other agencies as needed, to negotiate with pharmaceutical manufacturers in creation of a subscription model for obtaining, at volume discount pricing, medications of sufficient quantity to treat all persons diagnosed with Hepatitis C whose health is covered under a state plan. Patients would be eligible for treatment regardless of the severity of their disease. In order to maximize negotiating strength, the Department is directed to pool members of all state covered plans, to the extent allowed under federal law which, for instance, requires that Medicaid funds not be used or mixed in treating patients within correctional facilities. The largest membership groups this would otherwise include would then be those under the state employee plan and inmates under correction. The amendment offered would require that there be an adequate range of medications available to treat all eligible patients regardless of comorbidities, without their having to go through step-therapy.

Largely through the work of former Senator Shirley Nathan-Pulliam, Maryland now offers Hepatitis C treatment to all HepC positive Medicaid recipients regardless of fibrosis score, and the MCO providers are able to prescribe, and access at relatively low prices, medications that are appropriate for each patient. Removing these Medicaid recipients from the bill as introduced avoids putting this well-functioning system at risk, since there is no guarantee that the new subscription model would offer the same range of treatment options or as favorable pricing. **HB1107** seeks to achieve a similar, favorably priced, broad access to treatment for the remaining state beneficiaries.

Hepatitis C is a transmissible, inflammation causing, viral infection of the liver that, left untreated, can progress to cirrhosis, liver failure, liver cancer and death. For every 100 people infected 75 to 85 people will develop chronic hep C, 60 to 70 will go on to chronic liver disease, 5 to 20 of these will develop cirrhosis of which 1 to 5 people will die from cirrhosis or liver cancer. The best way to curtail HCV in the population is to prevent spread by identifying and treating all Hep C positive patients as early as possible. This is not only the correct policy from medical, public health, and ethical perspectives, but from a purely economical perspective, as well. Yet, until recently, and arguably understandably given the high medication costs, we limited treatment availability based on the severity of disease, essentially playing the odds with lives. Nationwide only 15%-20% of all individuals infected with Hep C have been treated.

Advances in science have led to a range of effective Hep C treatments that allow physicians and other practitioners to select an appropriate treatment for each patient, but the costs remain high. United States

drug prices are among the highest in the world, and without negotiating leverage, Hep C medication prices remain incredibly expensive, costing as much as \$90,000 to treat a single patient for 8-12 weeks.

Early intervention decreases incidence of transmission, of progression, to more debilitating medical conditions that are more expensive to manage and treat, and fatalities. As pioneered in Louisiana for correction system inmates, and later in Washington state, a subscription model, particularly if including treatment at the earliest disease stages, provides a large enough patient treatment pool to incentivise manufacturers to lower prices and compete to contract.

As amended, **HB 1107** is consistent with the goals and plans as outlined in Maryland Department of Health's January 2019 MARYLAND HEPATITIS C STRATEGIC PLAN and seeks to avoid the major shortcomings of other plans which limited contracts to a single manufacturer or medication, even when the particular medication was non-preferred or inappropriate for treating particular patients.

I urge a favorable report.

A handwritten signature in black ink, appearing to be "D. J. ...", written in a cursive style.