



MARYLAND
Prescription Drug Affordability Board

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Bowie, MD 20715
pdab.maryland.gov

February 8, 2024

The Honorable Joseline A. Peña-Melnyk
Chair, Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: HB0340 –Prescription Drug Affordability Board - Authority for Upper Payment Limits and Funding (Lowering Prescription Drug Costs for All Marylanders Act of 2024) – Letter of Information

Dear Chair Peña-Melnyk:

We want to first and foremost thank the Committee for your support of the Prescription Drug Affordability Board. The Board looks forward to conducting significant and important work to make prescription drugs affordable for Marylanders in 2024.

First, the Board continues to successfully conduct its Annual Fee Assessment to fund its work. The Board appreciated the \$1,000,000 in General Funds in FY24, which allowed us to repay the Maryland Health Care Commission and put the Board on firm financial footing for the upcoming years. We appreciate that FY25 may be a lean fiscal year, and the Board is currently in a strong financial position.

Next, the Board has finalized its processes and regulations to conduct Cost Reviews at the end of 2023, and will be conducting its first set of Cost Reviews throughout 2024.

Additionally, the Board is working to publish its Upper Payment Limit Action Plan for setting upper payment limits for state and local government. The Board hopes to submit this plan to the Legislative Policy Committee for approval in 2024, and if approved, work through the process of setting upper payment limits for state and local government.

Finally, by December 1, 2026, the Board owes a report on setting upper payment limits on all purchases and payor reimbursements of prescription drug products in the state and recommendations on whether the General Assembly should pass legislation to expand the authority of the Board. The Board plans to learn from its experience in 2024 to make these recommendations.

Thank you for your consideration. If you have any questions, please contact Andrew York at (410)804-0251 or andrew.york@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew York".

Andrew York
Executive Director

Maryland Prescription Drug Affordability Board