



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 6, 2024

Testimony in Support of House Bill 340
Prescription Drug Affordability Board – Authority for Upper Payment Limits and Funding
Lowering Prescription Drug Costs for All Marylanders Act of 2024

Good afternoon Madam Chair and fellow members of the House Health and Government Operations Committee. Thank you for the opportunity to present HB 340 for consideration. First, I would like to recognize and thank Madam Chair for championing [HB 768](#), which established the first in the nation [Prescription Drug Affordability Board](#) in 2019. This was a critical step that established the Prescription Drug Affordability Board and informed recommendations on future actions our state can take to address the rising costs of prescription drugs. Because of the outstanding leadership of this body and Vice Chair Cullison, together we are taking action and building on the foundation to allow the Board to determine fair, affordable rates for high-cost medications for all Maryland purchasers and payers. This bill will take a critical next step and simply expand the authority of our Prescription Drug Affordability Board to set upper-payment limits on drugs for *all* Marylanders.

The Issue

The rising costs of prescription drugs is impossible to ignore and leads to devastating impacts on the overall health and financial wellbeing of our state and its residents. This is an issue that impacts patients across our state, with more than 60% of Marylanders reporting they are concerned about the cost of prescription drugs.¹ Many of them are forced to make impossible decisions of choosing between the medication they need and other necessities, like rent and groceries. While this reason alone is enough to pursue this legislation, the rising costs of prescription drugs are felt beyond the pharmacy counter. The consequences of these rising costs strain our state and local government budgets, drive up insurance premiums, and threaten our public health. Each of us are paying the price for high-cost medications and HB 340 is our opportunity to provide direct relief to our residents and encourage health care cost containment in our state.

¹<https://healthcareforall.com/wp-content/uploads/2023/09/Statewide-MD-Poll-on-Prescription-Drug-Affordability-PDAB-091123.pdf>

Addressing Racial Health Inequities

In addition to helping patients and lowering health care costs more broadly, this legislation will serve as a critical tool in addressing racial health inequities that persist in our country and state. Social, political, and economic conditions that are undergirded by systemic racism lead to African Americans being at higher risk for chronic conditions like hypertension and diabetes. According to the U.S. Department of Health and Human Services Office of Minority Health, African Americans are 60% more likely to be diagnosed with diabetes than white Americans and are more than twice as likely to suffer from complications such as vision impairment or end-stage renal disease.² Although diabetes and other chronic diseases can be manageable, the high-cost of maintenance medications can be disproportionately burdensome for Black Marylanders, which may lead to poor health outcomes. As long as pharmaceutical corporations are allowed to charge whatever they deem the market can bear, this results in low income communities and families bearing the heaviest burden.

Additionally, many diseases that disproportionately affect Black communities are under researched and adequate treatment subsequently lags behind. For example, Sickle cell disease has limited treatment options that are available on the market. Those that are available are incredibly costly, resulting in an average lifetime medical cost for those suffering with this disease estimated at \$1.2M.³ Over the last two decades, only three new drugs have come to market, which suggests that there is little “free market” will to contain costs.⁴ A Prescription Drug Affordability Board with full statewide upper payment limit authority could determine a fair rate for *all* Marylanders to pay for drugs such as this.

Expanding the authority of our first in the nation Prescription Drug Affordability Board is a tool that will help address racial disparities in our state, which is why the Legislative Black Caucus of Maryland, the largest state legislative Black Caucus in the country, has included HB 340 and its cross-file, SB 388, as a 2024 legislative priority.

The Opportunity

I applaud the great work of our Prescription Drug Affordability Board. The goal of expansion is possible through this bill. We have an opportunity to expand the Board’s authority, which will allow it to address the rising cost of prescription drugs for *all* Marylanders. Our state has led the way, which has resulted in Colorado, Minnesota, and Washington establishing their own Prescription Drug Affordability Boards. These states have taken the next step in authorizing their

² <https://minorityhealth.hhs.gov/diabetes-and-african-americans>

³ Kate M. Johnson, Boshen Jiao, Scott D. Ramsey, M. A. Bender, Beth Devine, Anirban Basu; Lifetime medical costs attributable to sickle cell disease among nonelderly individuals with commercial insurance. *Blood Adv* 2023; 7 (3): 365–374. doi: <https://doi.org/10.1182/bloodadvances.2021006281>

⁴<https://www.wgbh.org/news/2022-10-21/basic-black-sickle-cell-disease-is-excruciating-why-arent-there-more-treatments>

Boards to set statewide upper payment limits. Maryland has an opportunity to lead and through the passage of HB 340 will pave the way for other states to learn from our process and model. Most importantly, this is our opportunity to impact the overall health and wellbeing for *all* Marylanders.

I respectfully request a **FAVORABLE** report.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "J. White", with a horizontal line extending to the right.

Delegate Jennifer White Holland