



TESTIMONY TO THE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE

HB0340: Prescription Drug Affordability Board- Authority for Upper Payment Limits and Funding (The Lowering Prescription Drug Costs for All Marylanders Now Act)

POSITION: Support

BY: Linda Kohn, President

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The League of Women Voters is a nonpartisan organization that works to influence public policy through education and advocacy. **The League believes that healthcare is a human right, and that every resident should have access to affordable, equitable, quality health care, including essential medications.**

The League of Women Voters Maryland supports **House Bill 340: Prescription Drug Affordability Board- Authority for Upper Payment Limits and Funding (The Lowering Prescription Drug Costs for All Marylanders Now Act)**, which would enable the Board to work on lowering prescription drugs costs for ALL Marylanders, not just those covered by state health plans.

The cost of many prescription medications in the U.S. is extraordinarily high, and is rising. Per JAMA:¹ **"Prescription drug spending in the U.S. exceeded half a trillion dollars in 2020. Spending is driven by high-cost brand-name drugs, for which manufacturers freely set prices after approval...From 2008 to 2021, launch prices for new drugs increased exponentially by 20% per year. In 2020-2021, 47% of new drugs were priced above \$150,000 per year..."**

Patients taking high-cost prescription drugs may be unable to afford them, even if they have insurance coverage that pays part of the cost. They may thus delay filling a prescription, cut pills in half, or skip doses altogether to stretch supply. Families may have to choose between paying the rent and paying the pharmacy. **Healthcare providers see the dangerous consequences of their patients' inability to afford essential medications.**

The federal government has recognized the danger (and fiscal impact) of high prescription drug costs for seniors. One of the provisions of the 2022 Inflation Reduction Act was to place an out-of-pocket price cap of \$35 per month on the cost of insulin for Medicare recipients, and negotiations are now underway to reduce costs for ten other commonly-used, extremely expensive medications.

But the Inflation Reduction Act's cost reductions are thus far limited to Medicare recipients. Maryland's Prescription Drug Affordability Board's ability to set upper payment limits on

¹ <https://jamanetwork.com/journals/jama/fullarticle/2792986>

medications considered “unaffordable” is thus far limited only to Marylanders who are covered by state and local government health plans. **House Bill 340 would expand the authority of the Board to implement broader cost controls that would benefit all Marylanders,** regardless of insurance coverage, enabling them to better afford the medications needed to maintain their health and their lives. By making upper payment limits available to all, the bill would reduce disparities in healthcare access. This is a matter of equity, as low-income Marylanders are the hardest hit by continually rising drug prices.

The Prescription Drug Affordability Board should have the enhanced authority to set statewide upper payment limits. For this reason, the League of Women Voters Maryland, representing 1,500+ concerned citizens throughout Maryland, strongly urges a favorable report on House Bill 340.