



House Bill 768

Health - Prescription Drug Affordability Board

MACo Position: **SUPPORT**

To: Finance Committee

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From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** HB 768 as it creates a new state-level entity to address the pressing issue of excessive prescription drug prices.

As employers, counties are also subject to the impacts of excessive prescription drug prices. Counties have a keen interest in being able to provide comprehensive health insurance coverage to their employees and their dependents at a cost that is manageable for both the government and their employees. While counties subsidize the cost of insurance offered to eligible employees, those employees still share a portion of those expenses through premiums, co-payments, and deductibles. Skyrocketing prescription drug prices make insurance coverage expensive for counties to provide and difficult for employees to access given their share of out-of-pocket costs.

HB 768 would create the Prescription Drug Affordability Board to safeguard against unconscionably high drug prices. The board would be empowered to identify and review the costs of certain prescription drugs and set upper payment limits for those deemed to be either a past or potential future cause of affordability challenges. As amended, the upper payment limits would apply to prescription drugs purchased or paid for by a unit of state or local government as well as those paid for through a health benefit plan on behalf of a unit of state or local government. The board is required to consult with a stakeholder advisory group, consider a number of relevant factors, and hold public meetings regarding their reviews and decisions. This is not completely uncharted territory for Maryland as the state already has similar watchdog entities for hospital, insurance, and public utility rates.

Increased affordability and pricing transparency for prescription drugs are issues that must be addressed. HB 768 establishes a common sense cost review board and cost review process to tackle those issues. For these reasons, MACo urges a **FAVORABLE** report on HB 768.