

## Summary of the 2019 Prescription Drug Affordability Board Act HB768

Marylanders across the state are struggling to afford the prescription drugs they need, often having to choose between their medication and other necessities, like rent and groceries. As prescription drug costs continue to soar, it is critical that the Maryland General Assembly continue to take action to ensure that all Marylanders have access to affordable medications, because drugs don't work if people can't afford them.

### What is being done in Maryland?

This legislative session the Maryland General Assembly created a Prescription Drug Affordability Board, an independent body with the authority to evaluate expensive drugs and recommend appropriate methods for addressing these costs, including setting upper limits on what Marylanders would pay for them.

The Prescription Drug Affordability Board will look at prescription drugs with costs that greatly impact Marylanders, including medications that impact the budgets of state, county and local government programs and facilities. Skyrocketing costs can prevent Maryland patients from accessing the prescription drugs they need, cause significant affordability issues for the state, and threaten public health.

Beginning in 2022, following consultation with the Legislative Policy Committee of the Maryland General Assembly, the Prescription Drug Affordability Board may begin to set upper payment limits for prescription drugs purchased by state, county, or local governments. In December of 2023, the Board will recommend whether the General Assembly should pass legislation to expand upper payment limits to all purchases of prescription drugs throughout the state.

### How a Prescription Drug Affordability Board works:

The Board is composed of five members (plus a Stakeholder Council and staffing support) appointed by the following: one member by the Governor, one by the Senate President, one by the Speaker of the House, one by the Attorney General, and the Board Chair to be jointly appointed by the President and Speaker.

The Board will review prescription drugs that meet any of the following criteria:

- New brand name prescription drugs which enter the market at \$30,000 or more per year or course of treatment;
- Existing brand name medications which increase in price by \$3,000 or more per year or course of treatment;
- Existing generic medications which increase in price by 200% or more per year or course of treatment; and
- Any prescription drug that creates affordability challenges to the Maryland health care system, including patients.

The Board will consider a broad range of economic factors when recommending and setting appropriate payment rates for reviewed drugs, including a review of the entire supply chain, and allowing pharmaceutical manufacturers the opportunity to justify existing drug costs. The Board will thoroughly monitor, assess, and offer recommendation on ways to mitigate the impacts high cost prescription drugs have on Marylanders and our health care system.

Between enactment and 2024, the Board will hire staff, establish upper payment limit methodology, identify sources of public information about industry costs and market pricing practices, enter into agreements with other states already collecting manufacturer-reported data, recommend ways to address situations where manufacturers refuse to sell in Maryland, and establish *recommended* upper payment limits for drugs meeting price or price increase thresholds.

For more information, you can visit [healthcareforall.com](http://healthcareforall.com) or speak with Vincent DeMarco (410-235-9000 or [demarco@mdinitiative.org](mailto:demarco@mdinitiative.org)).