



## Summary of Maryland's Prescription Drug Affordability Board Act

Marylanders across the state are struggling to afford the prescription drugs they need, often having to choose between their medications and other necessities, like rent and groceries. As prescription drug costs continue to soar, the Maryland General Assembly must build upon and strengthen the state's landmark 2019 Prescription Drug Affordability Board law (HB768) 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?

In 2019 the Maryland General Assembly created a Prescription Drug Affordability Board, the nation's first 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 Board will serve as a watchdog for Maryland patients, working to address the runaway costs of many medications.

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

### 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;
- Generic medicines costing at least \$100 with an increase of 200% or more per year;
- Biosimilars with a launch price that is not at least 15% lower than the reference brand biologic; and
- Any prescription drug that creates affordability challenges to the Maryland health care system, including patients.

### What is still needed?

While the Prescription Drug Affordability Board has been established and its five members appointed, the Board still requires a permanent funding source to effectively complete this work. In 2020, the Board will request that the Maryland General Assembly allow for assessments on drug manufacturers, pharmacy benefit managers (PBMs), and insurers to fund the Board's work. Beginning in 2022, following consultation with the Legislative Policy Committee of the General Assembly, the Board may begin to set upper payment limits for prescription drugs purchased by state and local government entities. By 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.