



February 5, 2025

RE: Implications of Maryland PDAB Expansion on Older Adults & Other Critical Patient Populations' Access to Care

Dear Honorable Members of the Maryland General Assembly,

The Alliance for Aging Research ("Alliance") is the leading nonprofit organization dedicated to changing the narrative to achieve healthy aging and equitable access to care. On behalf of the Alliance and the communities we serve, I write to you today to share concerns about legislation (SB357/HB424) that seeks to expand the authority of the prescription drug affordability board (PDAB) in Maryland. I also write to you today as a proud resident of Maryland, and someone who will feel the impact of these policies.

The Alliance is deeply concerned that SB357/HB424, which would enable the Maryland PDAB to set upper payment limits (UPLs) on prescription drugs that impact patients covered by commercial health plans, threatens to negatively impact the ability of patients to access critical medicines and further increase costs for Maryland taxpayers. While the Alliance commends the Maryland General Assembly for its efforts to ensure patients can better access treatments they rely on, this bill to expand the authority of the PDAB has been introduced despite the board failing to deliver savings to patients in the form of lower out-of-pocket costs and incurring significant costs to taxpayers since its enactment.

SB357/HB424 would expand the PDAB's current authority to set UPLs on certain prescription medicines to include commercial health plans. The legislation does so by giving the board the authority to set the price of selected medicines following an "affordability" review. Unfortunately, UPLs could limit reimbursement to Maryland providers, hospitals, and clinics – threatening the ability of such entities to stock and store treatments, and provide high-quality care to patients. If these entities can no longer provide patients with the treatments they need, Marylanders may be forced to travel farther and incur greater costs to access their treatment, and suffer worse health outcomes as a result.

Across the country, PDABs and UPLs have cost taxpayers millions in establishment and management costs while having [yet to produce any cost savings](#) for patients. Expanding the Maryland board's operations would increase the burden on taxpayers who have been burdened by the cost of PDAB activities since the board was enacted. For 2024 alone, the Maryland PDAB's allowed operating [expenses](#) totaled over \$1.4 million. In [Maryland](#), and other states that have a PDAB such as [Colorado](#), PDAB startup costs have reached \$730,000-\$750,000. A survey of key state healthcare stakeholders, including hospitals, pharmaceutical manufacturers, and retail pharmacies, conducted by the PDAB in [Oregon](#), found that 47% of respondents believed that a UPL would have a negative financial impact on their organizations.

While addressing patient access and treatment affordability barriers should remain a priority for the General Assembly, Maryland's PDAB has yet to deliver the promised financial relief for older Marylanders and other critical patient populations in the state. Premature efforts to expand the PDAB without demonstrated benefits to patients could have an outsized negative impact on patient access in Maryland and beyond. **We strongly urge you to oppose SB357/HB424 and reject any other efforts to expand the authority of the Maryland PDAB before the board has demonstrated success in lowering health care costs for patients.**



On behalf of the community we serve, the Alliance thanks you for the opportunity to share concerns, and for your leadership and urgent attention to this issue. If you have any questions or would like to follow up on the concerns shared here, please contact Adina Lasser, Director of Public Policy and Government Relations, at alasser@agingresearch.org. We look forward to continuing our work with you on this issue.

Sincerely,

A handwritten signature in black ink that reads "Sue Peschin". The signature is fluid and cursive, with a small mark at the end.

Sue Peschin
President & CEO
Alliance for Aging Research