TO:       The Honorable Shane E. Pendergrass, Chair  
            Members, House Health and Government Operations Committee  
            The Speaker (By Request of the Prescription Drug Affordability Board)

FROM:    Gene Ransom, CEO

DATE:     March 5, 2020

            Board and Fund

The Maryland State Medical Society (MedChi), the largest physician organization in  
Maryland, supports House Bill 1095.

During the 2019 Session, the General Assembly created the Prescription Drug Affordability Board (House Bill 768/Chapter 692). MedChi strongly supported and continues to support this Board and believes that price transparency will help lower drug costs, which will benefit patients and the health care delivery system. The original legislation established the Board through general funds, which had to be repaid by the State. The bill required the Board, by December 31, 2020, to determine an alternative funding source. House Bill 1095 establishes this funding source by creating a Prescription Drug Affordability Fund, which will be funded by manufacturers, pharmacy benefits managers, carriers, and wholesale distributors and any other entity identified in regulations adopted by the Pharmacy Board. The Fund will be used to support the activities of the Prescription Drug Affordability Board.

Given the importance of this Board and the need to allow it to meet its requirements under the law, MedChi supports House Bill 1095.