



Summary of the 2019 Prescription Drug Affordability Board Act

[People] 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 [State] General Assembly take action to help ensure that all residents have access to affordable medications, because drugs don't work if people can't afford them.

What can [State] do?

[State] can create a Prescription Drug Affordability Board, an independent body with the authority to evaluate high cost drugs and set reasonable rates for Marylanders to pay.

The Prescription Drug Affordability Board will look at prescription drugs with costs that greatly impact [state residents], including high-cost, brand name medications. High costs can prevent [State] patients from accessing the prescription drugs they need, cause significant affordability issues 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 [State] health care system, including patients.

The Board will consider a broad range of economic factors when setting appropriate payment rates for reviewed drugs, allowing pharmaceutical manufacturers the opportunity to justify existing drug costs. **Once a fair payment rate is determined, the Board sets an upper payment limit** that applies to all purchasers and payor reimbursements in [State], ensuring that lower costs benefit consumers.

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