

Maryland's Landmark Prescription Drug Affordability Board: Its History and Progress

A New Approach to Bring Down Costs

We are all hurt by the high cost of prescription drugs, whether it's at the pharmacy counter, through insurance premiums, or through government spending of our taxpayer dollars. These skyrocketing costs place considerable burdens on our families and neighbors, forcing people to make difficult decisions between paying for their lifesaving medications and other necessities.

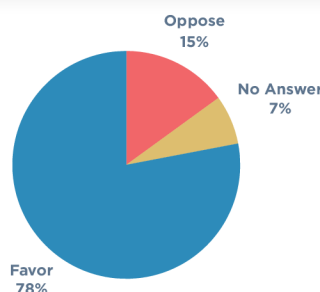
In 2019, the Maryland General Assembly responded to these growing concerns by creating the first-in-the-nation Prescription Drug Affordability Board (PDAB). The legislation authorized the PDAB to use upper payment limits to make high cost drugs more affordable for state and local governments. In 2021, the General Assembly overrode a veto to establish an independent funding mechanism through an assessment on drug manufacturers, insurers and PBMs.

In 2024, the Legislative Policy Committee of the General Assembly approved the PDAB's Upper Payment Limit Action Plan which set out how the PDAB will use this authority to make high cost drugs more affordable for government entities and how the body will perform its cost reviews.

In 2025, with the support of Governor Wes Moore, the Maryland General Assembly passed legislation to expand the PDAB's authority to allow for statewide upper payment limits to make high cost drugs more affordable for all Marylanders. The PDAB can use this expanded authority one year after it has implemented upper payment limits for at least two drugs for state and local governments. Maryland now joins three other states, Colorado, Minnesota, and Washington, which based on Maryland's initial 2019 law created PDABs with full upper payment limit authority.

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Strong Public Support

Polling consistently shows strong public support for Prescription Drug Affordability Boards, with numbers similar to these shown from a 2019 Gonzales Poll in Maryland. Polling has also highlighted that an overwhelming majority of voters feel that drug corporations could make prescription drugs more affordable to the public without harming research and development.

A Mobilizing Issue

In Maryland, over 450 faith, community, labor, business, and health care organizations from across the state joined together to form the Prescription Drug Affordability Coalition to urge the Maryland General Assembly to act. Additionally, key local leaders, the Maryland Association of Counties, and the Legislative Black Caucus have all rallied behind the issue.



Maryland Prescription Drug Affordability Board Progress

In 2024, the PDAB identified six drugs as causing affordability issues for Marylanders or our state health care system. These drugs are: Jardiance, Farxiga, Ozempic, Trulicity, Dupixent, and Skyrizi

Following the selection, the PDAB is tasked with examining whether or not to use its upper payment limit authority for these drugs.

Now in 2025, the PDAB is focusing its attention on Jardiance and Farxiga which are major cost drivers for state and local governments. The PDAB is performing cost reviews, soliciting public comment, and determining whether to use its authority to make these high cost drugs more affordable for state and local government entities. Should they choose to do so, the PDAB could save taxpayers millions of dollars.

Given the inclusion of Jardiance and Farxiga on the first Medicare Maximum Fair Price negotiations list, Maryland's PDAB may choose to utilize this rate determination as the state's upper payment limit.