Maryland
Hospital Association

Senate Bill 837- Maryland Medical Assistance Program and Health Insurance - Coverage and Utilization Review - Drugs Reviewed by the Prescription Drug Affordability Board

Position: *Support*
March 4, 2026
Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 837.

This bill would improve affordability and access to drugs by prohibiting payers from imposing utilization management protocols (prior authorization, step therapy, and fail-first), as well as limiting, excluding, or restricting access to drugs that have been reviewed by the Prescription Drug Affordability Board (PDAB).

Prescription drug costs continue to rise at unsustainable rates, placing strain on patients, hospitals, and the broader health care delivery system. Due to these rising costs, health payers, including private carriers and the Maryland Medicaid Program, increasingly require patients to undergo step therapy, which is a process where the patient must first try and fail on another drug—often a less expensive variation—before being allowed to step up to the more expensive medication. Additionally, health payers frequently require patients to apply for prior authorization, where a health care provider must obtain permission from a patient's health plan before accessing critical prescription drugs. While these practices theoretically can control cost, in practice these protocols often delay treatment and can harm health outcomes for patients. MHA supports proposals to reduce unnecessary delays and administrative burdens for providers.

PDAB was established to protect Marylanders from rising prescription drug costs by conducting an in-depth review of certain high-cost drugs and recommending policy interventions when drug pricing creates affordability challenges for patients, providers, and payers. SB 837 ensures that drugs that have undergone this rigorous and transparent review process remain meaningfully accessible to patients. This is especially significant since the Board is evaluating several widely used and high-cost medications, including drugs used to treat diabetes, cardiovascular disease, and inflammatory conditions such as Ozempic, Jardiance, and Farxiga, among others. These medications play a critical role in managing chronic diseases that affect large numbers of Marylanders. Ensuring predictable and clinically appropriate access to these drugs is essential to improve health outcomes and prevent avoidable complications that ultimately increase costs across the health care system.

SB 837 supports a more transparent, predictable, and patient-centered prescription drug policy framework in Maryland that protects patients from both excessive drug costs and unnecessary

administrative barriers to care. These protections remain important regardless of whether the PDAB-reviewed drugs have been determined to pose an affordability challenge in the state or not.

As a member of the PDAB's stakeholder council, hospitals look forward to our continued partnership with the Board and the legislature to create sustainable solutions for access to affordable, comprehensive health insurance coverage.

For these reasons, we request a favorable report on SB 837.

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