



Maryland
Hospital Association

**Senate Bill 987- Corporate Income Tax – Addition Modification – Direct-to-Consumer
Pharmaceutical Advertising**

Position: *Support as Amended*

March 11, 2026

Senate Budget & Taxation 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 as amended of Senate Bill 987.

The Maryland Hospital Association supports the sponsor amendment that allocates a portion of the revenue collected under this bill toward the Maryland Medical Assistance Program (Medicaid). Medicaid remains a foundational component of Maryland's health care system, providing coverage for approximately [1.5 million people](#) statewide, half of whom are children.

The Maryland Department of Health estimates the state could [lose up to \\$2.7 billion in federal funding](#) as a result of the federal legislation H.R.1 (2025). Approximately 175,000 Marylanders are projected to lose coverage due to the requirements imposed by the bill. The state also stands to incur significant costs to implement systems and processes to streamline participant eligibility determinations, renewals, and reverification.

These federal changes pose a substantial threat to access to affordable health care in the state and will put enormous pressure on state budgets. States will either have to absorb the federal funding losses or limit coverage or both. At the same time, these coverage losses could lead more people to seek emergency care in hospital settings, increasing the burden of uncompensated care on providers. Redirecting a portion of the pharmaceutical advertising tax to Medicaid offers an opportunity to help mitigate some of these impacts and preserve health care access for the most vulnerable populations in our state.

For these reasons, we request a favorable report on SB 987 as amended.

For more information, please contact:

Andrew Nicklas, Senior Vice President, Government Affairs & Policy and General Counsel
Anicklas@mhaonline.org