Global Healthy Living Foundation
515 North Midland Avenue
Upper Nyack, New York 10960 USA
+1 845 348 0400
+1 845 340 0210 fax
www.ghlf.org

February 25, 2025

Maryland Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401
Sent via MyMGA

RE: IN FAVOR: SB 773 (as related to payments made on behalf of patients)

Dear Committee Members:

Thank you for the opportunity to submit testimony regarding SB773, as it relates to payments made on behalf of patients.

I write on behalf of the Global Healthy Living Foundation (GHLF), a 25-year-old 501(c)(3) non-profit patient-centered organization representing people with chronic diseases. We work to improve the quality of life for people living with chronic illness through research, education, support, and advocating for improved access to care. As a result of chronic illness, these patients incur significant financial burden due to the high cost of the treatments that are necessary to manage their life-long disease. As a patient-focused organization, we are constantly searching for new legislative reforms that can benefit patients and reduce their high costs.

In addition to providing our members with opportunities to learn about their chronic condition, connect with others in their patient community, and participate in research, GHLF conducts original health economic research to better understand how current and proposed health policies, regulations, and legislation affect patients' finances, healthcare, quality-of-life, and other outcomes. We aim to increase transparency and understanding of the public health policies, regulations, and legislation impacting chronic disease patient communities by sharing our research via publication, our website, social media platforms, and conventional media.

We write today to emphasize why SB773 is important legislation that will help reduce overall costs for Maryland patients. We urge passage of legislation around the country that mandates the counting of all payments towards a patient's contribution to cost-sharing requirements towards the patient's deductible, regardless of the source of such payment. SB773 does just that. For years insurers and pharmacy benefit managers (PBMs) have not counted third party payments towards patient deductibles. These are often called co-pay accumulator programs, and they lengthen the amount of time it takes for a patient or family to reach their deductible and out-of-pocket limit. An individual may only learn of their enrollment in such a program when they try

to fill a medication and are told that they still owe the full price for that prescription in the middle of a plan year.

We know that some will claim that curtailing copay accumulator programs will result in higher healthcare premiums for everyone. However, GHLF data shows that this claim is simply not true. We recently launched a free, interactive tool to help legislators and policy makers review objective data demonstrating how U.S. health insurance premiums have fluctuated since 2014. Our analysis shows that, to date, there has been no statistically significant change in the rates of health insurance premium increases after the passage of state laws requiring that patient assistance funds count toward policyholders' deductibles or out-of-pocket maximum payments. We encourage the committee to view our findings here: https://ghlf.org/copay-assistance-protection/.

In the U.S., over 90 percent of prescribed medications are available as generics. Most of the rest are specialty, brand-name medications, used disproportionately by the chronic disease community and without generic or biosimilar options. In fact, a study by Stanford University found that out of every drug that currently has a copay assistance program available to it, over 85 percent do not have any form of a generic equivalent. For many people, the specialty medications prescribed by their health provider are the difference between being able to function or not. If these drugs become unaffordable when a patient is unexpectedly responsible for their deductible, then it could force hard choices about what to pay for. Data presented at the AMCP Nexus 2022 Congress also found that copay accumulator programs pose a disproportionate burden on historically marginalized communities and people of color. This bill will help keep medical decision making in the hands of doctors and patients and not what is best for insurance company bottom lines.

People in the United States pay more for medicine than people living in many other parts of the world simply because our system allows for secret negotiations between drug manufacturers, pharmacy benefit managers, and health insurers that artificially inflate drug prices through complex contracts that include rebates and discounts. Yet, these savings never trickle down to patients. It is time to push forward and pass protections for Maryland patients from surprise medical fees and promote the availability of reliable, affordable medications that will help people living with chronic disease feel better and potentially contribute to their family, community and our country.

Thank you again for this opportunity.

Sincerely,

Steven Newmark

Steven Newmark
Chief Policy Officer