

Oppose Maryland House Bill 1194 & Senate Bill 1023



Everyone supports containing skyrocketing prescription drug prices but **SB 1023**, sponsored by **Sen. Joan Carter Conway (D-Baltimore City)**, and **HB 1194**, sponsored by **Del. Joseline Penamelnik (D-Anne Arundel & Prince George's Counties)**, would actually just make the problem worse for Maryland patients and our economy.

SB 1023 and HB 1194 threaten Medicaid savings. In 2016, generics saved the state of Maryland \$735 million. This bill would strip those savings.

Generic drugs are a true success story. Generic medicines account for 89% of all prescriptions, but they only account for 26% of drug costs.



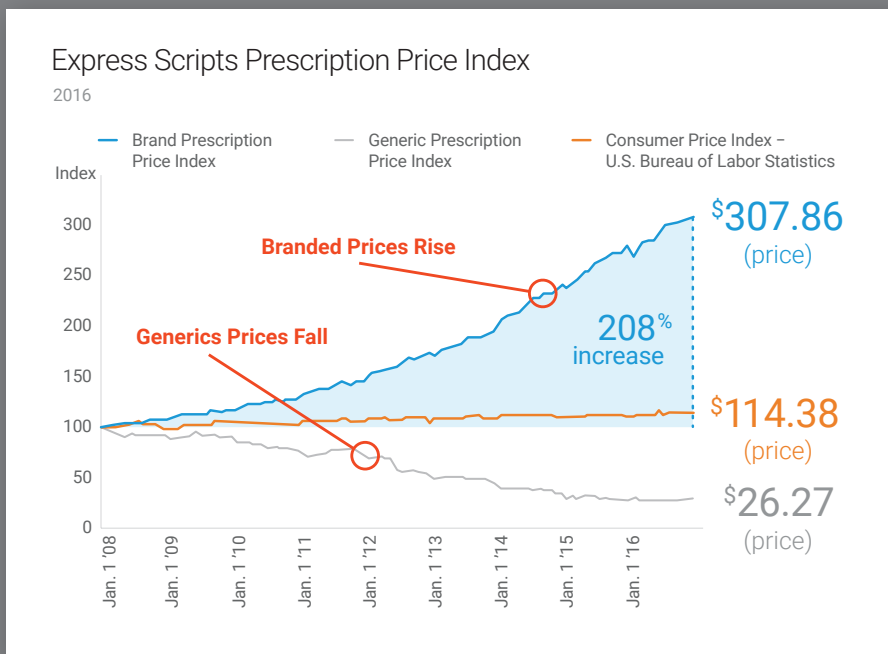
Medicaid: **\$735 Million**
Medicare: **\$929 Million**

Cash (Non-Insured): **\$254 Million**
Commercial Insured: **\$2.2 Billion**

TOTAL 2016
GENERIC SAVINGS
\$4.1 Billion
in Maryland

SB 1023 and HB 1194 will supplant the free market competition that works so well for generics – **90 percent of all generic prescriptions filled with a copay are less than \$20** – and will instead empower the Maryland state government, through the newly created Drug Cost Review Commission, to set drug prices and overregulate low-cost generics. This intervention might be better suited or intended for costly brand drugs with consistent price increases, but it does not make any sense for generics.

We need to increase competition, not chill it. To better serve the patients of Maryland, policymakers should explore enhancing the competition that has led to falling prices for generic medicines in the state. **The overall price of generics fell more than 8 percent** in 2016, and prices are down over 70 percent since 2008. Competition has led to generic prices falling for 18 straight months. Legislation ensuring these favorable trends continue is the best way to protect patient savings.



Market Dynamics

Year over year, generic drug prices fall, while brand-name drug prices rise. The overall price of generics fell over 8% in 2016, and prices are down more than 70% since 2008.