

RESOLUTION OF THE PRESCRIPTION DRUG AFFORDABILITY BOARD

WHEREAS, the Act creating the Maryland Prescription Drug Affordability Board was enacted by the Maryland General Assembly on April 6, 2011, and became law on May 25, 2019, pursuant to Md. Const., Art. II, § 17(c);

WHEREAS, the Governor, President of the Senate, Speaker of the House, and the Attorney General have appointed the members of the Board and President and Speaker have appointed jointly its Chair; and

WHEREAS, the members of the Board acknowledge their responsibility to govern the Board in good faith, in the best interest of Marylanders, and in accordance with the law;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts as its bylaws the Bylaws of the Maryland Prescription Drug Affordability Board, attached hereto as **Exhibit A**.

I HEREBY CERTIFY that the foregoing Resolution was adopted on this twenty-fourth day of January, 2022, by the Prescription Drug Affordability Board.



Van Mitchell, Chair

1/24/2022

BYLAWS OF THE MARYLAND PRESCRIPTION DRUG AFFORDABILITY BOARD

PREAMBLE

Pursuant to § 21-2C-02 of the Health-General Article of the Maryland Code, the following is hereby adopted and declared as the Bylaws of the Maryland Prescription Drug Affordability Board.

ARTICLE I NAME, PURPOSE, AND POWERS

Section 1. The Maryland Prescription Drug Affordability Board (hereinafter, “the Board”) is the body established by 2019 Maryland Laws Ch. 692, codified in Title 21, subtitle 2C of the Health-General Article of the Maryland Code.

Section 2. The Board is a body politic and corporate, an instrumentality of the State, and an independent unit of State government.

Section 3. As set forth in § 21-2C-02 of the Health-General Article, the purpose of the Board is to protect State residents, State and local governments, commercial health plans, health care providers, pharmacies licensed in the State, and other stakeholders within the health care system from the high costs of prescription drug products.

Section 4. The Board has all the powers, rights, and privileges set forth in Title 21, subtitle 2C of the Health-General Article; all powers necessary or convenient to carry out the functions authorized by Title 21, subtitle 2C of the Health-General Article; and all the powers of a Maryland corporation except where limited by law.

ARTICLE II BOARD MEMBERS

Section 1. As set forth in § 21-2C-03 of the Health-General Article, the Board consists of five members possessing expertise in health care economics or clinical medicine:

- (a) One member appointed by the Governor;
- (b) One member appointed by the President of the Senate;
- (c) One member appointed by the Speaker of the House of Delegates;
- (d) One member appointed by the Attorney General; and

- (e) One member appointed jointly by the President of the Senate and the Speaker of the House of Delegates, who shall serve as chair of the Board.

Section 2. The term of a Board member is 5 years beginning July 1 and ending June 30. In accordance with law, the terms are staggered as follows:

- (a) The initial term of the member appointed by the Governor expires 2024;
- (b) The initial term of the member appointed by the President of the Senate expires 2022;
- (c) The initial term of the member appointed by the Speaker of the House of Delegates expires 2023;
- (d) The initial term of the member appointed by the Attorney General expires 2023; and
- (e) The initial term of the chair, appointed jointly by the President of the Senate and the Speaker of the House of Delegates, expires 2024.

ARTICLE III **ALTERNATE BOARD MEMBERS**

Section 1. As set forth in § 21-2C-03 of the Health-General Article, the Board shall have alternate members, who possess expertise in health care economics or clinical medicine:

- (a) One alternate member appointed by the Governor;
- (b) One alternate member appointed by the President of the Senate; and
- (c) One alternate member appointed by the Speaker of the House of Delegates.

Section 2. The term of an alternate Board member is 5 years beginning July 1 and ending June 30. In accordance with law, the terms are staggered as follows:

- (a) The initial term of the member appointed by the Governor expires 2024;
- (b) The initial term of the member appointed by the President of the Senate expires 2022; and
- (c) The initial term of the member appointed by the Speaker of the House of Delegates expires 2023.

Section 3. When a Board member is recused, an alternate shall be designated by

the Board chair to participate in deliberations of the Board.

ARTICLE IV **DUTIES OF BOARD CHAIR**

Section 1. As set forth in § 21-2C-03 of the Health-General Article, the Chair of the Board is appointed jointly by the President of the Senate and the Speaker of the House of Delegates.

Section 2. The Chair is authorized to preside at the meetings of the Board, to represent the Board before all public bodies, to sign papers on behalf of the Board, to hire an Executive Director and staff for the Board and function as the appointing authority for Board staff, to develop a 5-year budget and staffing plan for approval by the Board, and to perform such other duties necessary to carry out the provisions of Title 21, subtitle 2C of the Health-General Article, and as the Board may from time to time assign.

ARTICLE V **EXECUTIVE DIRECTOR**

Section 1. As set forth in § 21-2C-03 of the Health-General Article, the Chair is authorized to hire an Executive Director for the Board.

Section 2. The Executive Director shall:

- (a) be the chief administrative officer of the Board;
- (b) direct, administer, and manage the operations of the Board;
- (c) perform all duties necessary to comply with and carry out the provisions of Title 21, subtitle 2C of the Health General Article, the Board's regulations, rules and policies, and other applicable law;
- (d) keep the official records of the Board;
- (e) sign papers on behalf of the Board within the scope of his or her administrative duties or as authorized by the Chair, the Board, or Board policy; and
- (f) perform all duties delegated by the Chair or the Board.

Section 3. The Executive Director serves at the pleasure of the Chair and is entitled to the compensation as provided in the budget of the Board.

ARTICLE VI **BOARD COMMITTEES**

Section 1. The Board may from time to time establish and define the duties of standing and temporary committees of the Board.

Section 2. After consultation with the members of the Board, the Chair shall appoint the members of each committee established by the Board.

ARTICLE VII **STAKEHOLDER COUNCIL**

Section 1. As set forth in § 21-2C-03 of the Health-General Article, the Stakeholder Council consists of 26 members and its purpose is to provide stakeholder input to assist the Board in making decisions under the Act. A majority of the members of the Stakeholder Council constitutes a quorum.

Section 2. As provided by law, the members of the Stakeholder Council are appointed by the Governor, Speaker of the House of Delegates and President of the Senate:

(a) The Speaker of the House of Delegates shall appoint one representative of: (i) generic drug corporations; (ii) nonprofit insurance carriers; (iii) a statewide health care advocacy coalition; (iv) a statewide advocacy organization for seniors; (v) a statewide organization for diverse communities; (vi) a labor union; and (vii) one health services researcher specializing in prescription drugs; and (viii) one public member at the discretion of the Speaker.

(b) The President of the Senate shall appoint one representative of: (i) brand name drug corporations; (ii) physicians; (iii) nurses; (iv) hospitals; (v) dentists; (vi) managed care organizations; (vii) the Department of Budget and Management; and (viii) one clinical researcher; and (ix) one public member at the discretion of the President.

(c) The Governor shall appoint one representative of: (i) brand name drug corporations; (ii) generic drug corporations; (iii) biotechnology companies; (iv) for-profit health insurance carriers; (v) employers; (vi) pharmacy benefits managers; (vii) pharmacists; and (viii) one pharmacologist; and (ix) one public member at the discretion of the Governor.

Section 3. The term of a Stakeholder Council member is 3 years beginning July 1 and ending June 30. In accordance with law, the terms are staggered as follows:

- (a) the term for the following eight members expires in 2022:
 - (i) two members appointed by the Speaker;
 - (ii) three members appointed by the President; and
 - (iii) three members appointed by the Governor;
- (b) the term for the following nine members expires in 2023:
 - (i) three members appointed by the Speaker;
 - (ii) three members appointed by the President; and
 - (iii) three members appointed by the Governor; and
- (c) the term for the following nine members expires in 2024:
 - (i) three members appointed by the Speaker;
 - (ii) three members appointed by the President; and
 - (iii) three members appointed by the Governor.

ARTICLE VIII **MARYLAND PRESCRIPTION DRUG** **AFFORDABILITY FUND**

Section 1. As set forth in § 21-2C-11 of the Health-General Article, the Board administers the Maryland Prescription Drug Affordability Fund.

Section 2. The Executive Director shall have responsibility for administering the Prescription Drug Affordability Fund in accordance with Title 21, subtitle 2C of the Health General Article and with the policies and direction of the Board.

Section 3. In accordance with § 21-2C-11 of the Health-General Article, and the Board's regulations, policies, and direction, the Executive Director shall perform the administrative and ministerial functions necessary to implement the assessment and collection of the annual fee, including resolving requests for waiver or exemption under the regulations.

ARTICLE IX **FISCAL YEAR**

The fiscal year of the Exchange shall commence with the first day of July and end with the ensuing thirtieth day of June.

ARTICLE X **BOARD MEETINGS**

Section 1. The Board shall hold at least four regular meetings during each fiscal year, at such time and place as the Board may determine.

Section 2. An agenda for each meeting of the Board shall be prepared by the Executive Director in accordance with the directions of the Chair and shall be sent by the Executive Director to each member of the Board at least one week in advance of each meeting. Discussions and actions by the Board shall not, however, be limited to the items included on the agenda but may include any business not inconsistent with these Bylaws and within the duties and powers of the Board.

Section 3. At the sole discretion of the Chair, the Chair may postpone or cancel any meeting.

Section 4. Special meetings of the Board may be called by the Chair at his or her discretion. The Chair shall give two weeks notice of any special meeting to all Board members and the public. At special meetings, only matters covered in the notice to members may be transacted.

Section 5. As set forth in § 21-2C-03 of the Health-General Article, a majority of the members of the Board constitutes a quorum.

Section 6. Board members may participate in any meeting by telephone or video conferencing. Board members participating by such means shall be counted for quorum purposes, and their votes shall be counted when determining the actions of the Board.

Section 7. Except as provided in § 21-2C-03(e)(1)(iv) of the Health General Article, all Board meetings shall be conducted in accordance with the Open Meetings Act, Title 10, Subtitle 5 of the State Government Article. In accordance with § 21-2C-03(e)(1)(iv) of the Health General Article, the Board may meet in closed session to discuss trade secrets or confidential and proprietary data and information.

ARTICLE XI

AMENDMENTS TO THE BYLAWS

These Bylaws may be amended by the affirmative vote of a majority of members of the Board, provided that the proposed amendment or amendments have been sent to each member of the Board at least seven days before the meeting.