



INSULIN AFFORDABILITY IN WISCONSIN: **Consumer Experiences & Policy Recommendations**

Governor's Task Force on Reducing Prescription Drug Prices

Gary Dougherty
Director, State Government Affairs
American Diabetes Association

July 22, 2020

INSULIN AFFORDABILITY



**Insulin
isn't
optional**

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“I watched my parents struggle to afford the insulin my father needed to stay alive. The cost shouldn’t impact someone’s ability to maintain an acceptable quality of life”

J. H., Eau Claire

“I’ve lost my job twice in recent years. Both times I lost my health insurance. The first time, I had to go door to door with different doctors asking for insulin samples. (My husband and I) had to ask really difficult questions like ‘Do we sell the house?’ ‘Do we skip meals to spend less on groceries?’”

D.W-R., Fitchburg

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“The cost of insulin is a real big part of my budget and is a hardship for me to afford on a limited income. This is legal robbery what the big pharmacy companies are doing to us.”

M.L., Milwaukee

“I just recently moved out on my own and often have had to choose between getting my insulin I need to survive and eating dinner. I shouldn’t have to choose between staying alive and treating my incurable illness.”

R.L., Oak Creek

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Did you know? The average price of insulin nearly tripled between 2002 and 2013.



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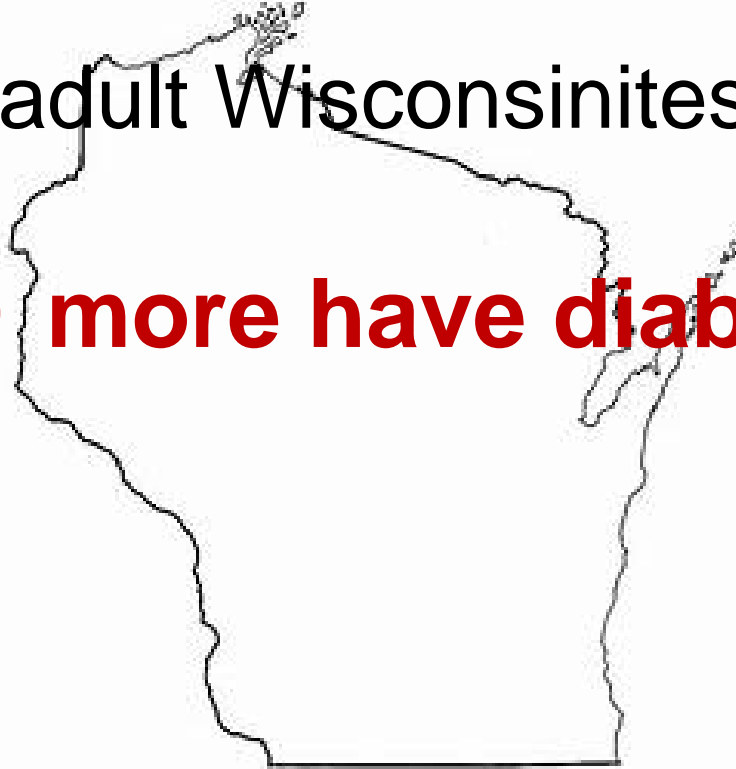
INSULIN AFFORDABILITY

- **439,000 adult Wisconsinites have diagnosed diabetes**



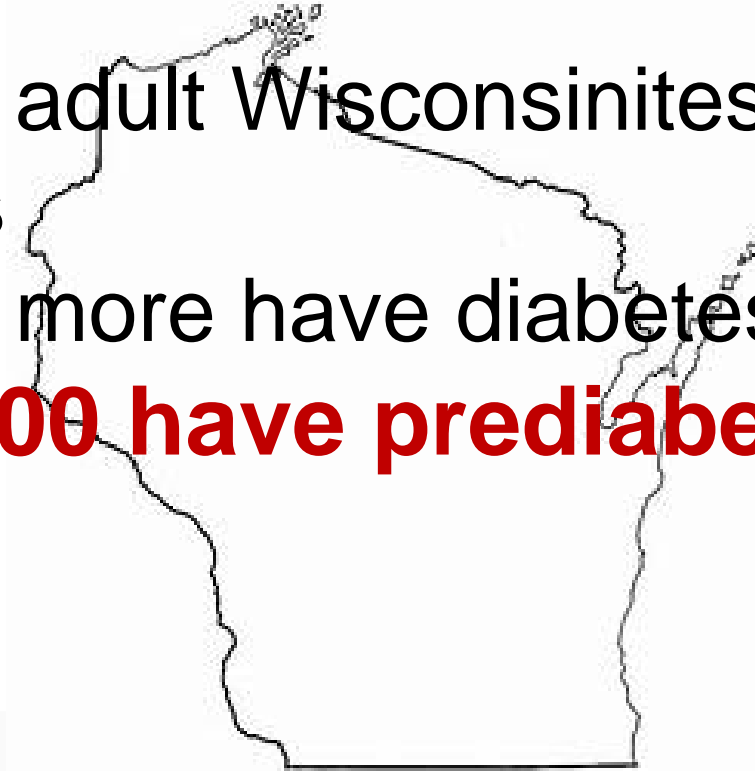
INSULIN AFFORDABILITY

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- **135,000 more have diabetes, but don't know it**



INSULIN AFFORDABILITY

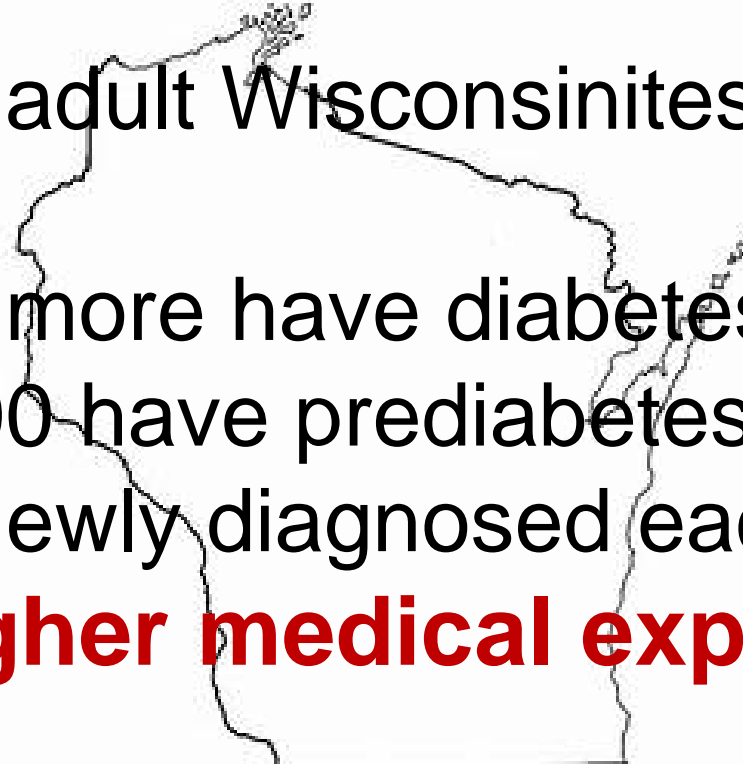
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- **1,560,000 have prediabetes**



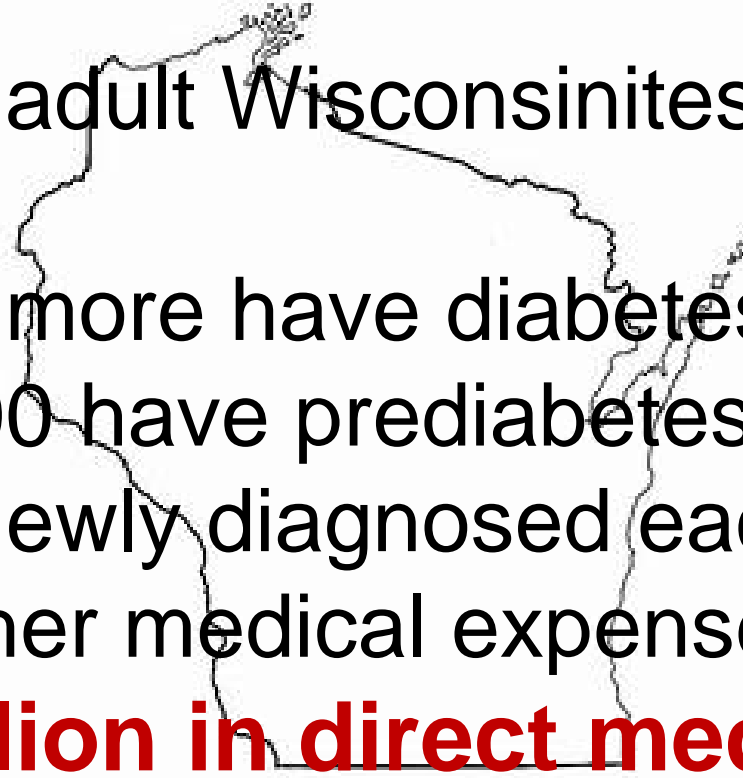
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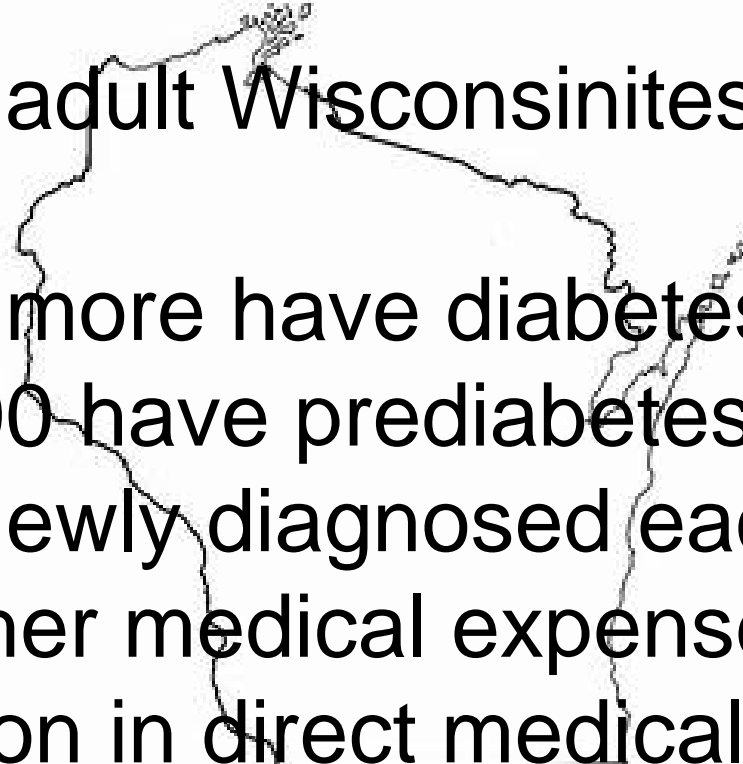
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INSULIN AFFORDABILITY

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INSULIN AFFORDABILITY

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 - \$4.1 billion in direct medical expenses
 - **\$1.4 billion in indirect medical expenses**

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**Approximately 5-10% of people with
diabetes have type 1**

**22,000 – 44,000
people**

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Our Mission:

To prevent and cure diabetes and to improve the lives of all people affected by diabetes

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ADA Board of Directors resolution (11/2016)



- **Substantially increase transparency in pricing**
- **Ensure no person with diabetes is denied affordable access to insulin.**
- **Congressional hearings to identify the reasons for the increases in insulin prices and to ensure that all people who use insulin have affordable access.**

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STAND UP FOR AFFORDABLE INSULIN



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Summary of Key Conclusions:

- The current pricing and rebate system encourages high list prices.
- There is a lack of transparency throughout the insulin supply chain.
- People with diabetes are financially harmed by high list prices and high out-of-pocket costs.
- Patient medical care can be adversely affected by formulary decisions.
- The regulatory framework for development and approval of biosimilar insulins is burdensome for manufacturers.

<https://care.diabetesjournals.org/content/diacare/41/6/1299.full.pdf>



Insulin Access and Affordability Working Group: Conclusions and Recommendations

William T. Cefalu,¹ Daniel E. Dawes,² Gina Gavlak,³ Dana Goldman,⁴ William H. Herman,⁵ Karen Van Nuys,⁶ Alvin C. Powers,⁶ Simeon I. Taylor,⁷ and Alan L. Yatvin,⁸ on behalf of the Insulin Access and Affordability Working Group*

<https://doi.org/10.2337/dci18-0019>

There are more than 30 million Americans with diabetes, a disease that costs the U.S. more than \$327 billion per year (1,2). Achieving glycemic control and controlling cardiovascular risk factors have been conclusively shown to reduce diabetes complications, comorbidities, and mortality. To achieve these desired outcomes, the medical community now has available many classes of medications and many formulations of insulin to effectively manage the metabolic abnormalities for people with diabetes. However, the affordability of medications in general, and for insulin specifically, is currently of great concern to people with diabetes, their families, health care providers, insurers, and employers. For millions of people living with diabetes, including all individuals with type 1 diabetes, access to insulin is literally a matter of life and death. The average list price of insulin has skyrocketed in recent years, nearly tripling between 2002 and 2013 (3). The reasons for this increase are not entirely clear but are due in part to the complexity of drug pricing in general and of insulin pricing in particular.

As the price of insulin continues to rise, individuals with diabetes are often forced to choose between purchasing their medications or paying for other necessities, exposing them to serious short- and long-term health consequences (4–9). To find solutions to the issue of insulin affordability, there must be a better understanding of the transactions throughout the insulin supply chain, the impact each stakeholder has on what people with diabetes pay for insulin, and the relative efficacy of therapeutic options. Thus, as the nation's leading voluntary health organization whose mission is "to prevent and cure diabetes and to improve the lives of all people affected by diabetes," the American Diabetes Association (ADA) is committed to finding ways to provide relief for individuals and families who lack affordable access to insulin.

In the spring of 2017, the ADA Board of Directors convened an Insulin Access and Affordability Working Group (Working Group) to ascertain the full scope of the insulin affordability problem, to advise the ADA on the execution of strategies, and to provide high-level direction to the ADA related to this issue. The composition of the Working Group is provided in Supplementary Table 1. The Working Group identified increased transparency throughout the insulin supply chain and a number of other interventions as important steps toward developing viable, long-term solutions to improve insulin

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Summary of Key Recommendations:

- Increase pricing transparency throughout the insulin supply chain.
- Lower or remove patient cost-sharing for insulin.
- Streamline the biosimilar approval process.
- Increase access to health care coverage for all people with diabetes.

PUBLIC POLICY STATEMENT

Improving Insulin Access and Affordability

Krista Maler and Meghan Riley • May 2018

INTRODUCTION

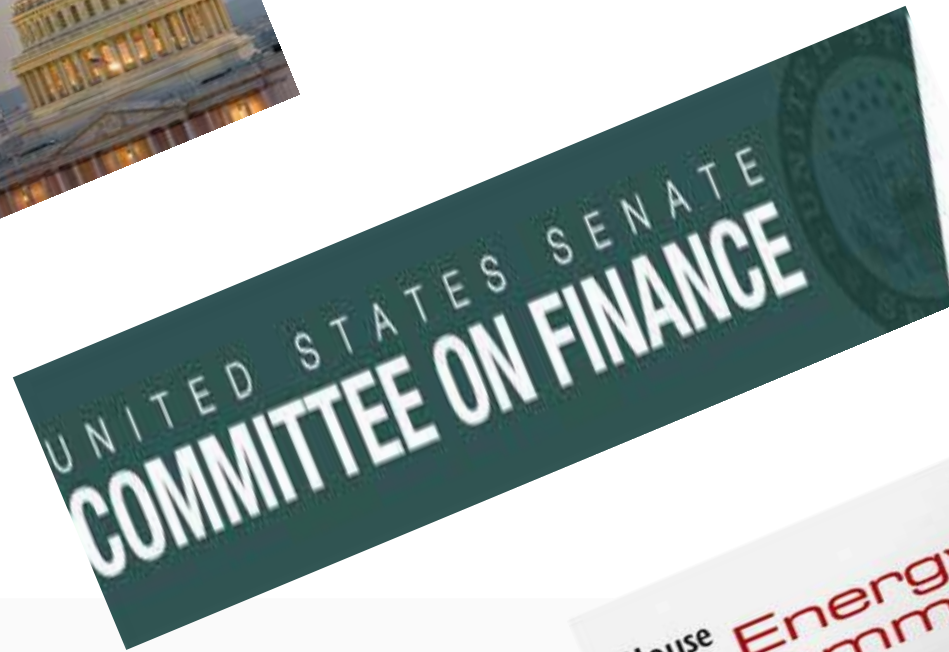
There are more than 30 million Americans with diabetes.¹ Now the nation's most expensive chronic disease, diagnosed diabetes accounts for an estimated \$327 billion in costs per year.² Achieving glycemic control and managing cardiovascular risk factors have conclusively shown to reduce diabetes complications, comorbidities and mortality. Today, many classes of medications and many formulations of insulin are available to effectively manage the metabolic abnormalities for individuals with diabetes. However, the affordability of medications in general, and insulin specifically, is of great concern to people with diabetes, their families and healthcare providers. For millions of people living with diabetes, including all individuals with type 1 diabetes, access to insulin is literally a matter of life and death. The average list price of insulin has skyrocketed in recent years, nearly tripling between 2002 and 2013.³

KEY TAKEAWAYS

- Insulin costs have been steadily increasing, forcing many people with diabetes to choose between purchasing this life-sustaining medication or paying for other necessities.
- Earlier this month, the ADA's Insulin Access and Affordability Working Group released findings from their research and stakeholder discussions.
- This Public Policy Statement provides an array of short-term and long-term recommendations to help shed light on the issue, to combat increasing insulin costs, and to improve affordable access to medications, including:
 - Streamlining the biosimilar approval process;
 - Increasing pricing transparency throughout the insulin supply chain;
 - Lowering or removing patient cost-sharing for insulin;
 - Increasing access to health care coverage for all people with diabetes.

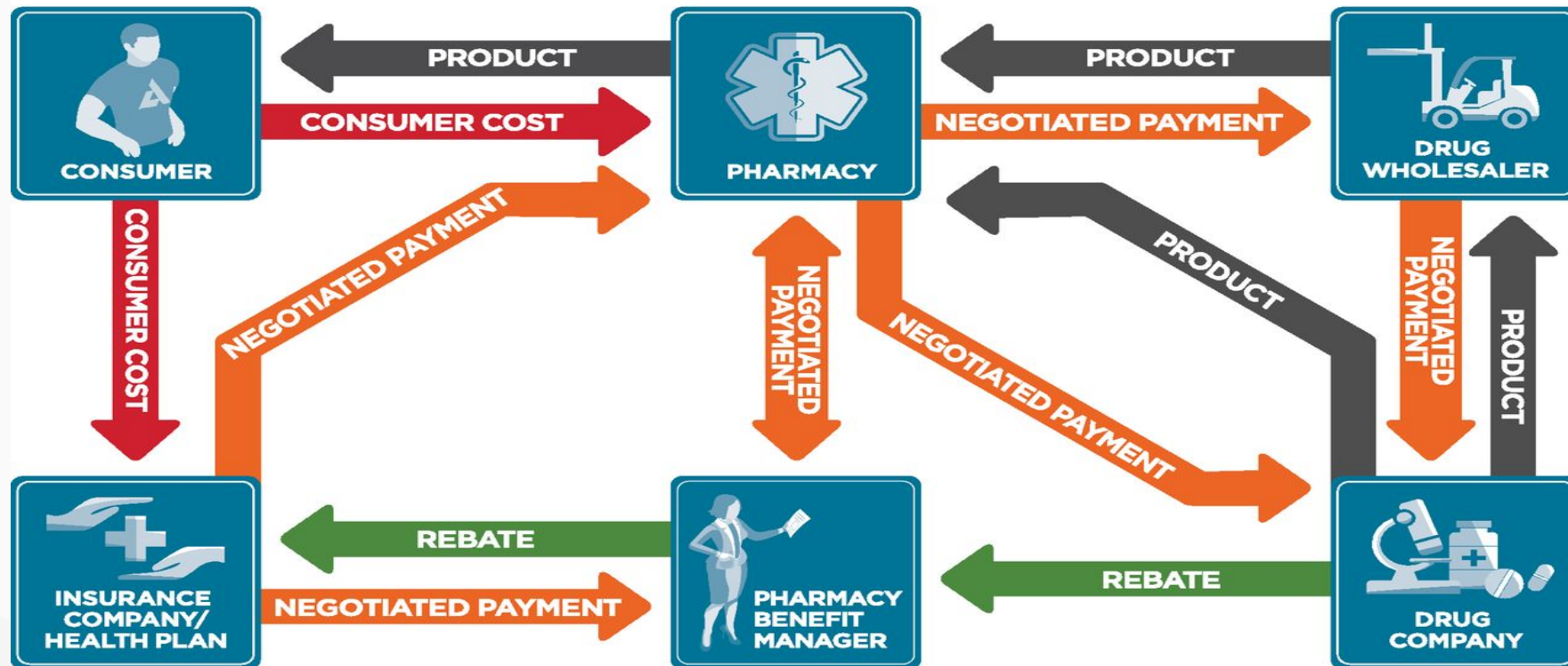
 American Diabetes Association.

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Insulin Supply Chain: A Complex System



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How much does a vial of insulin cost?



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How much does a vial of insulin cost?



± \$300

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**How much does it cost to
manufacture a vial of insulin?**



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How much does it cost to
manufacture a vial of insulin?



\$3.69 - \$6.16

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Why is the cost of insulin so high?



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Why is the cost of insulin so high?



- **Lack of transparency**

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Why is the cost of insulin so high?



- Lack of transparency
- **Current pricing and rebate system**

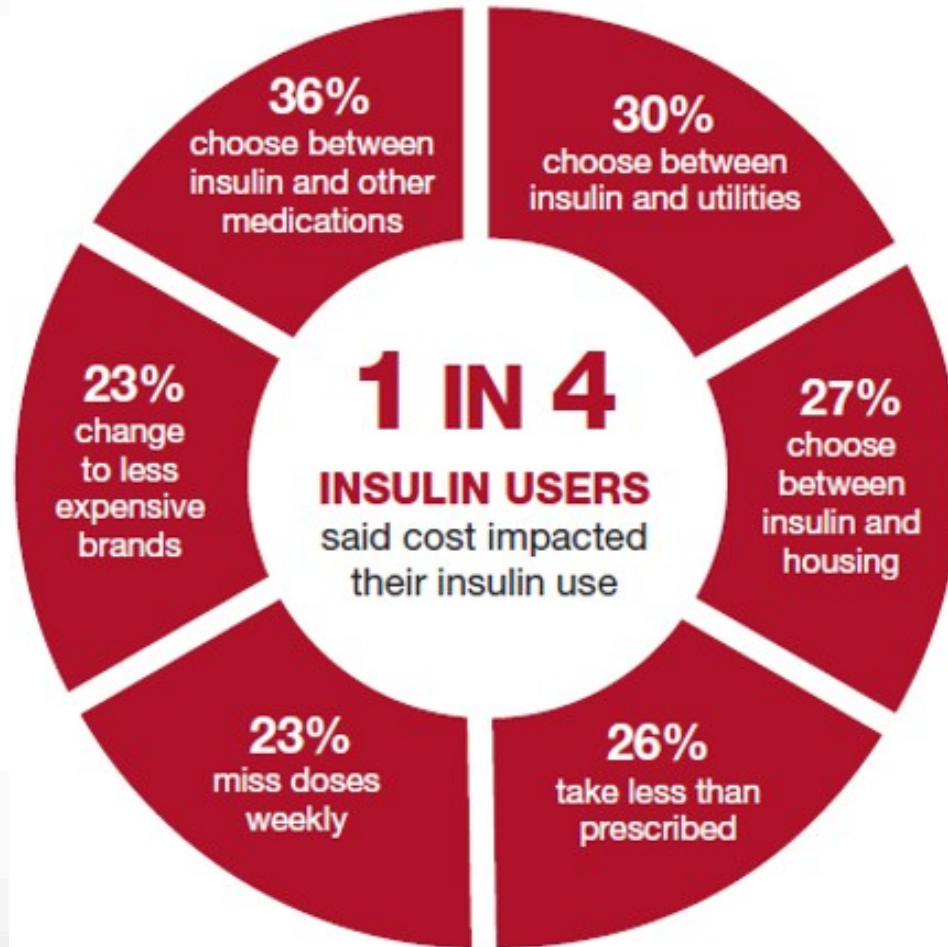
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Why is the cost of insulin so high?



- Lack of transparency
- Current pricing and rebate system
- **No real competition**

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<http://main.diabetes.org/dorg/PDFs/2018-insulin-affordability-survey.pdf>

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www.insulinhelp.org

If you're struggling to pay for insulin, ADA can help. We've consolidated all the resources you need so that you can find help, fast.

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States are NOT waiting for the federal government to act

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Colorado Governor Jared Polis signing “first-in-the-nation” insulin co-pay cap bill into law.

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COLORADO - \$100 cap

ILLINOIS - \$100 cap

NEW MEXICO – \$25 cap

MAINE – \$35 cap

WEST VIRGINIA – \$100 cap

UTAH – \$30 cap

WASHINGTON – \$100 cap

NEW YORK – \$100 cap

VIRGINIA - \$50 cap

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Wisconsin

SB 340

Sen. Dave Hansen



AB 411

Rep. Jimmy
Anderson

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Common Questions

- **Why insulin and not other medications?**

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Common Questions

- Why insulin and not other medications?
- **Won't a cap result in higher premiums?**

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Legislative Recommendations:

- **Ensure access to adequate and affordable health insurance**
- **Require transparency throughout the insulin supply chain**
- **Lower or remove patient cost-sharing for insulin**
 - **Cap co-pays for insulin**
 - **Exempt insulin from the deductible**

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Legislative Recommendations:

- **Ensure value of co-pay assistance programs apply toward a patient's deductible**

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#EveryDayReality

- **More than 34 million Americans have diabetes**
- **Nearly 7 million of them rely on insulin**
- **Average price of insulin has nearly tripled between 2002-2013**
- **One in four are using less insulin than prescribed due to high costs**

