

# Insulin prices and Affordable Insulin Now Act

LOS ANGELES CITY HEALTH COMMISSION

Monday, May 9, 6 pm PST

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# Statistics About Diabetes

## 2019 ADA

- 37.3 million Americans, or 11.3% of the population, had diabetes.
- 29.2 % Americans age 65 and older had diabetes
- 1.9 million Americans have type 1 diabetes
- 244,000 children and adolescents have type 1 diabetes

# Statistics about Diabetes

## 2019 ADA

- 14.5% of American Indians/Alaskan Natives
- 12.1% of non-Hispanic blacks
- 11.8% of Hispanics
- 9.5% of Asian Americans
- 7.4% of non-Hispanic whites

# Cost of Diabetes

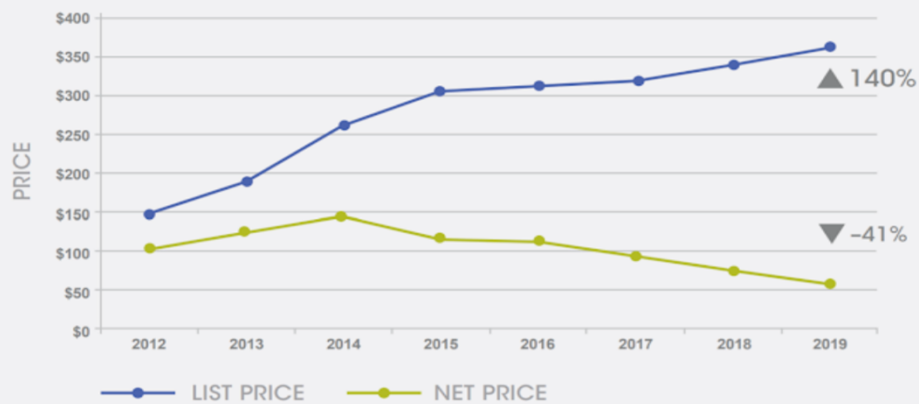
- Diabetes was the seventh leading cause of death in the United States in 2019.
- 87,647 death certificates :diabetes was listed as the underlying cause of death.
- \$327 billion: Total cost of diagnosed diabetes in the United States in 2017
- \$237 billion was for direct medical costs

# The Affordable Insulin Now Act Passed 3/31/2022

- *The Affordable Insulin Now Act, “does not lower the price of insulin by one penny,”*
- Rep. Lloyd Doggett, D-TX.

# Sanofi (Lantus) and Eli Lily (Humalog) Per vial: costs \$6-10 to manufacture

## INSULIN COST OVER TIME



## Humalog List and Net Price Per Vial<sup>4</sup>

● Humalog List Price Per Vial ● Insulin Lispro List Price Per Vial  
● Humalog/Insulin Lispro Net Price Per Vial



The last list price increase for Humalog vial was May 2017. The net price in the chart represents the revenue Lilly realized per Humalog and Insulin Lispro vial after rebates and discounts. Increases in list prices do not always create increases in net prices.

# What is a PBM?

- Pharmacy Benefit Manager
- Process and administrate Prescription Drugs
- Make Formularies (list of what is covered by insurance, 3<sup>rd</sup> parties)
- Do not manufacture, do not do research: Think 'suits'
- Can collect Kickbacks (aka 'rebates')
  - Kickbacks not transparent
- 3 PBM control 77% of prescriptions (Optum, CVS Caremark, Express Scripps)
- Now owned by insurance companies

# Integration in Fortune 500 top 15 companies



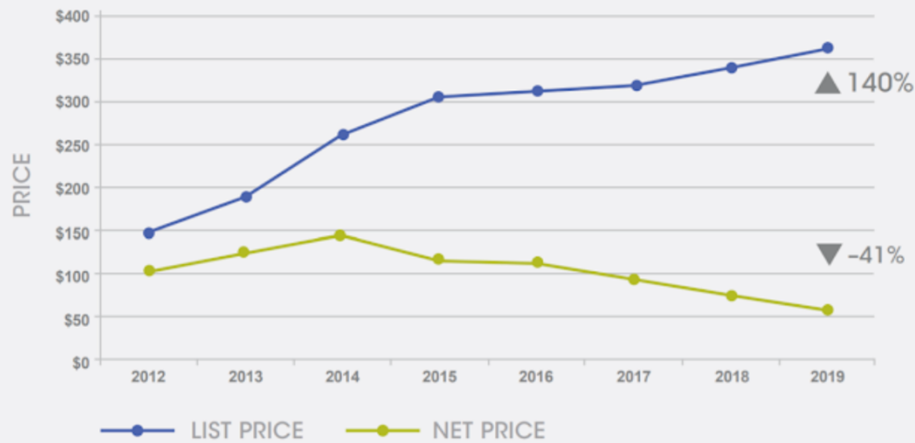


# What does the Affordable Insulin Now Bill Do?

- Lowers the copay for medicare and commercially insured
- Uninsured?
  - Out of luck
- Insurance through employer?
  - Employer pays full inflated cost, pays the kickback or passes on
- Medicare?
  - Medicare money pays the full inflated costs, pays the kickback, passes on to YOUR grandkids

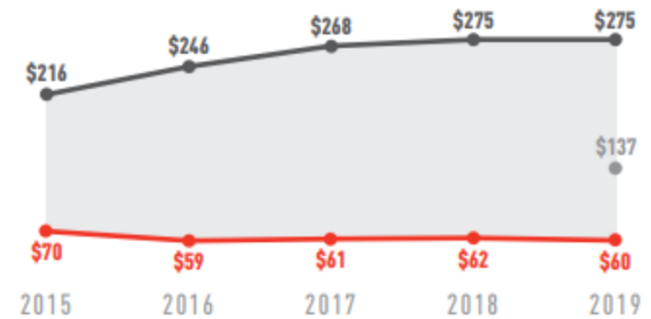
# Back to Following the Money

## INSULIN COST OVER TIME



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# Hope in the Senate

— APRIL 11, 2022

**Collins, Shaheen, DeGette & Reed Unveil Bipartisan Policy Priorities to Lower Insulin Costs, Invite Lawmakers and Stakeholders to Share Input on Final Legislation**

\_Ensuring PBM cannot collect rebates,  
-waiver on deductible and limiting copays to no more than \$35 per month  
-Supporting patient access by ensuring prior authorization or other medical management requirements cannot be imposed to limit beneficiary use.

# Questions

