

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Oversight and Investigations Ranking Member Brett Guthrie

Priced Out of a Lifesaving Drug: The Human Impact of Rising Insulin Costs

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Thank you, Chair DeGette, for holding this very important hearing. The Centers for Disease Control and Prevention (CDC) estimates that more than 30 million individuals—or 9.4 percent of the population—in the United States have diabetes. A 2018 American Diabetes Association report found that diabetes is the most expensive chronic disease in the United States. According to this analysis, the economic cost of diagnosed diabetes in the United States in 2017 was about \$327 billion.

The CDC estimates that, in 2016, about 6.7 million Americans aged 18 and older used insulin. The insulin prescribed to diabetics today is different than the insulin discovered over 100 years ago. Changes to this life-saving drug over the years have meant that, according to the American Diabetes Association, “almost everything has changed over the past 50 years for Americans with diabetes,” including how long a diabetic can expect to live.

However, the list price of insulin has increased substantially over the past decade, putting this life saving drug out of reach for too many Americans. According to a 2016 study, the average list price of insulin nearly tripled between 2002 and 2013. Many argue that while list prices have been increasing, net prices have not grown as rapidly, have stayed relatively the same, or have even gone down. For example, one popular insulin product had its list price increase from \$391 in 2014 to \$594 in 2018—a 51.9 percent increase. During the same time, however, the product’s net price decreased by 8.1 percent, going from \$147 to \$135.

While no one is supposed to pay the list price for insulin, some patients end up paying the list price, or close to it—especially if they are uninsured or underinsured. An uninsured patient that purchases insulin at the pharmacy is likely to pay the list price of the medicine unless they have access to a patient assistance program. Further, even if a patient has insurance, increasing list prices oftentimes directly harms patients by increasing their out-of-pocket costs. If they have a high deductible health plan, as many Americans do today, they are likely going to pay the list price, or close to it, until they reach their deductible.

While patient assistance programs can be a helpful resource to patients, we have heard from patients and patient advocacy groups that it can be difficult to qualify for a patient assistance program. Patient assistance programs are viewed as a helpful resource, but only a band-aid and short-term solution until we can find a permanent solution that improves access to and affordability of medicines such as insulin.

In addition, we have heard that formulary exclusions are helpful to drive down costs to the plans, but we've also heard that they are having an impact on patients in the diabetic community. We have heard stories that some patients have had their insurers change the insulin products covered by their plan year to year or even in some cases in the middle of the year, causing them to have to switch to a different insulin product or pay a much higher price for the insulin that has been working best for them. Doctors and patients have shared that it can take days or weeks for someone to adjust to a new insulin, if they adjust at all.

The prescription drug supply chain is complex and lacks transparency. There is limited public information regarding changes to net prices due to a lack of transparency surrounding rebates and other price concessions. This makes it difficult to fully understand why prescription drug prices, like insulin, have continued to rise for patients, especially uninsured and underinsured patients. This lack of transparency makes it hard to determine who benefits from increases in list prices. But we know who loses—the patient.

Prescription drug pricing affects every American and that's why today's discussion using insulin as a case study is an important step to better understand the rising cost of prescription drugs in our country and how we can work to make lifesaving prescription drugs more affordable for all patients again.

I thank our witnesses for being here today and being part of this important discussion. I yield back.