

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Ranking Member Greg Walden**

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

**April 2, 2019**

I am glad we are having this important hearing today. Thank you, Chair DeGette, for holding it.

Diabetes is a life-long disease that impacts the lives of millions of Americans, including more than 300,000 Oregonians. Due to the significant research and development efforts of biopharmaceutical companies, there are over 30 types of innovative insulin available in the United States that come in a variety of different formulations and in different delivery mechanisms. There are also numerous oral medications available for type 2 diabetics to help manage their disease.

I am proud that our committee has championed efforts to accelerate the discovery, development, and delivery of innovative drugs. Over two years ago, under the bipartisan leadership of former Chairman Fred Upton and Congresswoman Diana DeGette, Congress enacted the 21st Century Cures initiative. Our work is not done, however. We need to continue to promote innovation while balancing it with affordability and competition.

As we heard last Congress during our hearing examining the complexity of the prescription drug supply chain, the supply chain has evolved in a way that has ended up harming some patients at the pharmacy counter. At that hearing, I specifically asked the witnesses about the price of insulin and learned that the net price has not changed much over the past few years. But, the list price or “sticker price” has increased and pharmaceutical manufacturers are providing larger rebates and discounts to their supply chain partners to lower the net price of the medicine.

While no one is supposed to pay the list price for insulin, some patients do pay the list price, or close to it, at the pharmacy counter. One study found that the average price of an insulin prescription in Oregon went from \$322 in 2012 to \$662 in 2016—an increase of over 100 percent. While these prices do not reflect all the discounts, rebates, or coupons offered for a product, an insured individual who has not met their deductible, or an uninsured person, may be asked to pay this amount at the pharmacy counter. Moreover, the coinsurance paid by many with insurance for their prescriptions is typically a percentage of the list price, not the negotiated net price. The higher the list price, the more these patients pay.

The three major manufacturers of insulin in the United States each offer patient assistance programs and other forms of assistance to help patients access their medicines. These

April 2, 2019

Page 2

programs are not a long-term solution to affordability and access issues, but they are an important effort in the interim to help patients access their life-saving medicines. I hope to learn more from the witnesses today about how these programs are working.

Some providers also help certain patients pay for their medicines. For example, when we examined the 340B Drug Pricing Program last Congress, we heard that some 340B covered entities passed along all or part of their discounts to provide certain patients with reduced price medicines, including insulin. Since 340B entities can purchase some insulin products at a significant discount, diabetic patients could really benefit from having these savings passed through directly to them.

I also want to ask that we continue our work from last Congress investigating the cost drivers in our health care system from top to bottom. As I've said on many occasions, health care costs continue to rise in the United States and whether it's hospital care, physician and clinical services, or prescription drugs, these expenditures are all interrelated. A holistic approach to examining the cost drivers in our health care system is needed to identify long-term solutions to this complex problem.

I want to thank the Chair for putting together such an excellent panel that is reflective of so many different voices in the diabetic community, and I thank our witnesses for being here as well.