

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Ranking Member Greg Walden**

Hearing on “Priced Out of a Lifesaving Drug: Getting Answers on the Rising Cost of Insulin”

April 10, 2019

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

Last week, we heard a lot of different opinions on why the list price of insulin has increased significantly over the past decade. One of the doctors on the panel commented that she believed that high list prices primarily benefit the pharmaceutical companies. Another doctor argued that the current rebating system encourages high list prices and, as the list prices increase, intermediaries in the supply chain benefit. He argued that the solution is not as easy as manufacturers simply lowering their list price and requires a broader reform across the entire supply chain.

All of the witnesses last week agreed that the current pricing system for insulin is harming many patients as they make health care decisions. We heard stories of individuals rationing their insulin and forgoing other necessities to make ends meet—and how this can lead to serious short- and long-term health problems and hospitalizations.

It is critical that we work towards ensuring all diabetics have access to insulin. To do so, we need to identify and break through barriers that make it challenging to bring down the cost of insulin for patients.

For more than two years, we have been examining the various drivers of increasing health care costs. Earlier this year, as part of this work, myself and Republican Leaders Guthrie and Burgess sent a letter to each of you asking specific questions about the cost of insulin and the barriers to competition in the insulin market. I want to thank each of you for your thorough responses to our questions.

While the discussion today is centered around cost and the barriers that exist to reducing cost, it is important we don't forget the critical role that both of you—the drug manufacturers and pharmacy benefit managers (PBMs)—have in making sure patients have access to life-saving medicines such as insulin.

The insulin available today for diabetics would not exist without the significant investments that Eli Lilly, Novo Nordisk, and Sanofi have made to develop and improve the medicine. These investments have saved the lives of many diabetics. Insulin manufacturers have

also have created patient assistance programs to help patients get access to affordable insulin. While there will be questions today about whether the changes in insulin over the past few decades justify how much the list price for insulin has increased over the same period, we know that manufacturers rarely receive the list price of their medicine.

Likewise, PBMs provide many important services to patients and use different tools to help control costs while promoting better health. For example, in addition to numerous other programs, CVS Health created a Transform Diabetes Care Program that uses several cost containment and clinical strategies to help produce savings. OptumRx created a tool to improve provider visibility to lower-cost, clinically-equivalent alternative medicines at the point of prescribing. Just last week, Express Scripts announced a new patient assurance program that will ensure eligible people with diabetes participating in Express Scripts plans pay no more than \$25 for a 30-day supply of insulin.

While these programs from manufacturers and PBMs are important and useful in the short-term, they are only a band-aid. We must work on a long-term, comprehensive solution.

Many of the concerns we heard at last week's hearing on insulin are very similar to the issues that were discussed at our hearing examining the prescription drug supply chain over a year ago. I appreciate hearing directly from the manufacturers and PBMs today about their perspectives on rising insulin costs. But just like we heard at the hearing on drug pricing in 2017, to fully understand why the cost of insulin is increasing for many patients, we will need to hear from the other participants in the supply chain, including the distributors, health insurance plans, and pharmacists. But at the end of the day, we must put the patient first.

I thank the witnesses for being here and I look forward to today's important discussion.

[Date]

Page 3