

TEN KEY FACTS ABOUT INSULIN AND PATIENT AFFORDABILITY

As lawmakers explore ways to lower insulin costs for patients with diabetes, here are **10 facts** to keep in mind:

- 1.** The cost of the most commonly used insulins was reduced by 84%, on average, thanks to the significant rebates and discounts from manufacturers.ⁱ
- 2.** Insulins are less expensive today than they were 15 years ago. The average annual net costs for these insulins have declined by 20% since 2007.ⁱⁱ
- 3.** Between 2014 and 2018, the share of total spending on insulins received by PBMs increased 155%.ⁱⁱⁱ
- 4.** According to a Senate Finance Committee report, “PBMs have an incentive for manufacturers to keep list prices high, since the rebates, discounts, and fees PBMs negotiate are based on a percentage of a drug’s list price—and PBMs retain at least a portion of what they negotiate.”^{iv}
- 5.** Health insurers and their PBMs are shifting more costs onto patients through high deductibles and coinsurance. In fact, commercially insured patients taking brand diabetes medicines with deductibles or coinsurance pay an average of 3.6 times more out of pocket than patients with only fixed copays.”^v
- 6.** Every biopharmaceutical company that produces insulin offers financial assistance to help lower patients’ out-of-pocket costs.^{vi} Without this help, average out-of-pocket spending for brand insulin would have been more than twice as high and people just beginning treatment would be three times more likely to abandon their medicines at the pharmacy.^{vii}
- 7.** Thanks to changes in the law that went into effect in 2020, two biosimilar insulins have come to market, and that is in addition to the availability of other lower-list priced insulins, including authorized generics.^{viii, ix, x, xi}
- 8.** In recent years, the three largest PBMs denied coverage of lower list priced insulin in favor of higher list priced versions.^{xii}
- 9.** Insulin manufacturers are committed to making insulin more accessible and affordable for patients. In 2023, manufacturers took steps to limit patient out-of-pocket costs of commonly used insulins to \$35 or less per month for those in the commercial market and to help the uninsured through their existing cost-sharing assistance and patient assistance programs.^{xiii}
- 10.** The biopharmaceutical industry strongly supports holistic reforms to the health care system that would improve affordability for patients, including breaking the link between the price of medicines and the rebates PBM receives, as well as making sure rebates and discounts are shared directly with patients at the pharmacy counter.

ⁱ Milliman, Analysis of Insulin Competition and Costs in the United States, December 2021.

ⁱⁱ Fein, A. “The 2023 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers,” Drug Channels Institute, March 2023.

ⁱⁱⁱ Van Nuys K, Ribero R, Ryan M, Sood N. Estimation of the Share of Net Expenditures on Insulin Captured by US Manufacturers, Wholesalers, Pharmacy Benefit Managers, Pharmacies, and Health Plans From 2014 to 2018. JAMA Health Forum. 2021;2(11):e213409

^{iv} [https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20\(FINAL%20\).pdf](https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20(FINAL%20).pdf)

^v PhRMA. Commercially Insured Patients with Chronic Conditions Face High Cost Sharing for Brand Medicines. January 2021. Available at: <https://phrma.org/cost-and-value/commercially-insured-patients-with-chronic-conditions-face-high-cost-sharing-for-brand-medicines>

^{vi} Medication Assistance Tool. <https://medicineassistancetool.org/en>

^{vii} IQVIA. “Patient Affordability Part Two: Implications for Patient Behavior and Therapy Consumption,” May 2018

^{viii} FDA. “Deemed to be a License” Provision of the BPCI Act.

^{ix} Amerisource Bergen. Biosimilar approval and launch status in US.

^x Eli Lilly Press Release, [Lilly to Introduce Lower-Priced Insulin](#), March 2019.

^{xi} Novo Nordisk Press Release, [Novo Nordisk launching additional US insulin affordability offerings in January 2020](#), September 2019.

^{xii} Drug Channels. [The Big Three PBMs’ 2023 Formulary Exclusions: Observations on Insulin, Humira, and Biosimilars](#). January 2023.

^{xiii} [Lilly Press Release](#); [Novo Press Release](#); [Sanofi Press Release](#)