

Lights, Camera, Traction! Diabetes Affordability, Progress & Potential

Moderator: Connecticut Representative Michelle Cook,
Women In Government State Director

Erika Emerson, MPP, Chief Policy Officer,
Diabetes Leadership Council

Sarah Wood, Policy Associate,
Diabetes Patient Advocacy Coalition



#AccessToHealthCare



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Women in Government

June 9, 2023

PEOPLE WITH DIABETES, PARENTS & ALLIES



Former leaders of national diabetes organizations provide policy expertise for lawmakers & advocates

NATIONAL LEADERSHIP & NETWORKS

- American Diabetes Association
- Association of Diabetes Care & Education Specialists
- Certification Board for Diabetes Care and Education
- Children with Diabetes
- Diabetes Dietetic Practice Group of the Academy of Nutrition and Dietetics
- Diabetes Patient Advocacy Coalition

MEDICAL & SCIENTIFIC EXPERTS

- Diabetes Care & Education Specialists
 - Dietitian
 - Pharmacist
 - Registered Nurse & Dietitian
- Dietitian
- Internal Medicine & Diabetes Specialist
- Pediatric Endocrinologist
- Research Scientist and Professor of Molecular Physiology and Biophysics

STRONGER TOGETHER



501(c)(3)
Diabetes Policy Shop

Former leaders of national diabetes organizations provide policy expertise for lawmakers and advocates

501(c)(4)
Grassroots Patient Advocacy

Turn knowledge into action through advocacy on state and federal issues impacting people with diabetes



LIGHTS, CAMERA, TRACTION!

U.S. INSULIN AFFORDABILITY IS IMPROVING – but we haven't (yet) fixed the root causes driving up prices for insulin and other prescription drugs

STATES ARE LEADING THE WAY BUT MORE PERMANENT NATIONAL SOLUTIONS ARE STILL NEEDED – to deliver more patient-centered and evidence-based transparency and accountability across the prescription drug supply chain

SECURING AFFORDABLE INSULIN AND OTHER PRESCRIPTIONS REQUIRES A MATRIX OF POLICY CHANGES & MARKET SHIFTS – there is no silver bullet when reducing prescription drug costs, but there is silver buckshot*

* Quote credit to Senators Cassidy (R-LA) and King (I-VT)



TRACTION: AFFORDABLE INSULIN



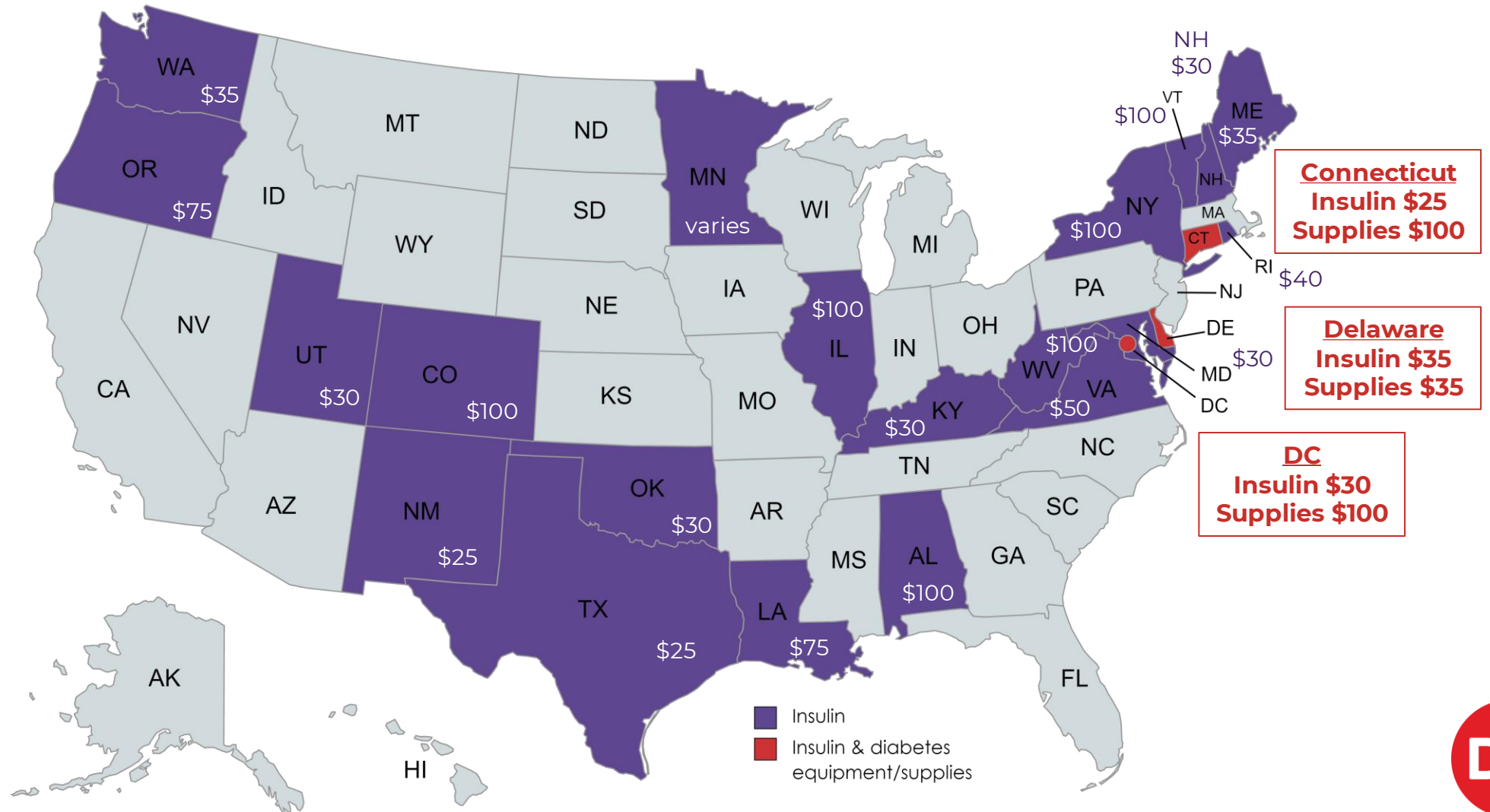
FLASHBACK: 2022 WIG POLICY MEETING

- ✓ INSULIN COPAY CAP
- ✓ DIABETES SUPPLIES COPAY CAP
- ✓ NO DIABETES DEDUCTIBLES



Photo credit: Carter Clark for Beyond Type 1

STATE TRACTION! COPAY CAPS



NATIONAL TRACTION

MEDICARE



- Copay caps in effect for Medicare Parts B & D
- \$35 or 25% of net cost per prescription
- At least 1 insulin per type/form
- Senate bills introduced to expand to all U.S. health plans

EMPLOYERS



More employers are opting to eliminate or cap cost sharing for insulin and other diabetes care

MANUFACTURERS



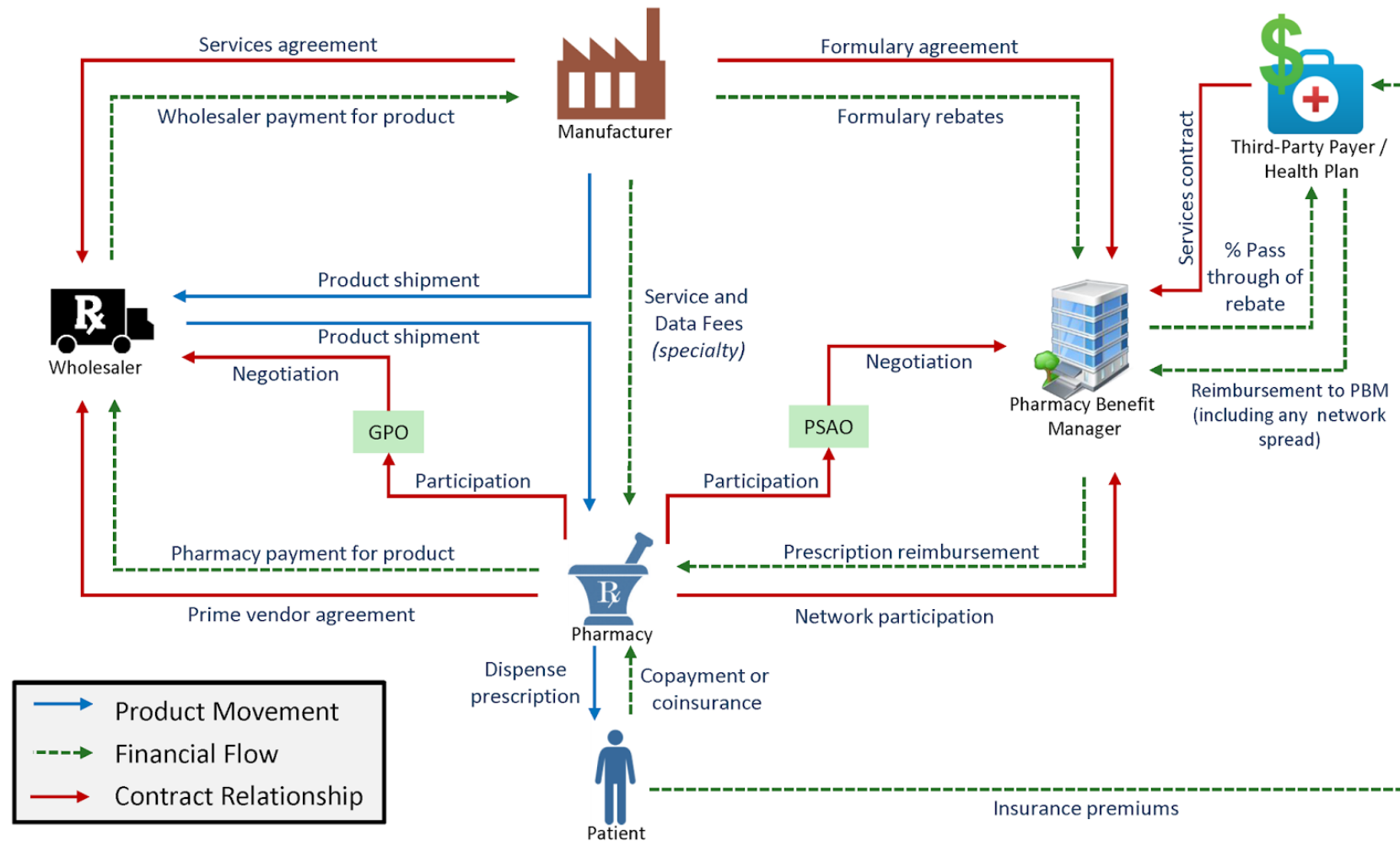
- Top 3 insulin manufacturers announced 65-78% list price reductions for certain insulins
- Civica Rx insulin manufacturing plant breaks ground in VA
- Mark Cuban Cost Plus Drugs insulin pilot program

INSULIN COST INFLUENCERS

*“Results of this analysis demonstrate how **all entities** in the pharmaceutical distribution system (manufacturers, wholesalers, pharmacies, PBMs, and health plans) **profit from the sale of insulin** and that **all contribute to its final price.**”*



MAKE IT MAKE SENSE



INSULIN PRICE EXPECTATIONS vs REALITY

EXPECTATION



PATIENT COST



PAYER COST



COMPETITION

- Brands
- Biosimilars
- Unbranded



INSULIN REALITY



PATIENT COST



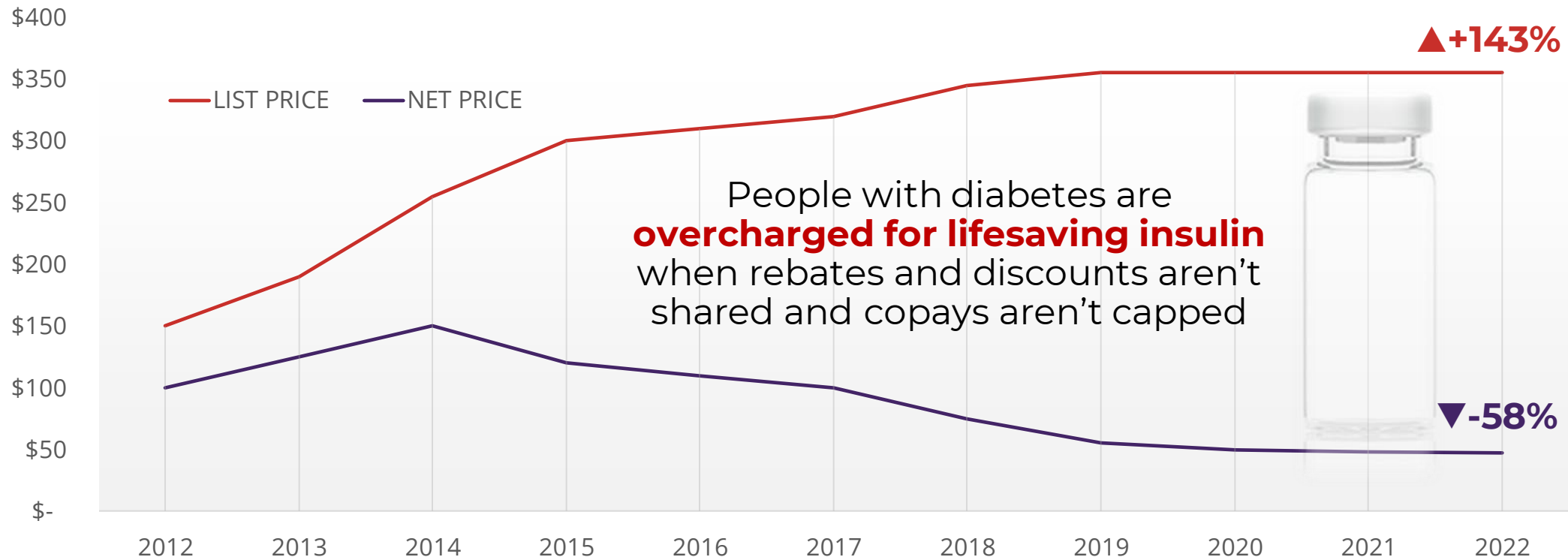
PAYER COST



COMPETITION

COMPETING FOR SPREAD NOT SAVINGS

INSULIN REBATES CAN EXCEED **80%**¹ VS **48%**² FOR ALL BRANDS



1. U.S. Senate Finance Committee on Finance. Insulin: examining the factors driving the rising cost of a century old drug. January 14, 2021.

[https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20\(FINAL%201\).pdf](https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20(FINAL%201).pdf).

2. Kakani P, Chernew M, Chandra A. Rebates in the pharmaceutical industry: evidence from medicines sold in retail pharmacies in the U.S. March 2020. NBER Working Paper 26846. <https://www.nber.org/papers/w26846>.

3. Sanofi 2023 Pricing Principles Report. <https://www.sanofi.us/dam/jcr:356cc1f5-92dd-47a1-9770-ba60dfdfab1e/Sanofi%202023%20Pricing%20Principles%20Report.pdf>

WHAT IS “UNBRANDED” INSULIN?

The same insulin – different packaging and price

BRANDED INSULIN



**HIGH LIST PRICE &
LARGE REBATE**

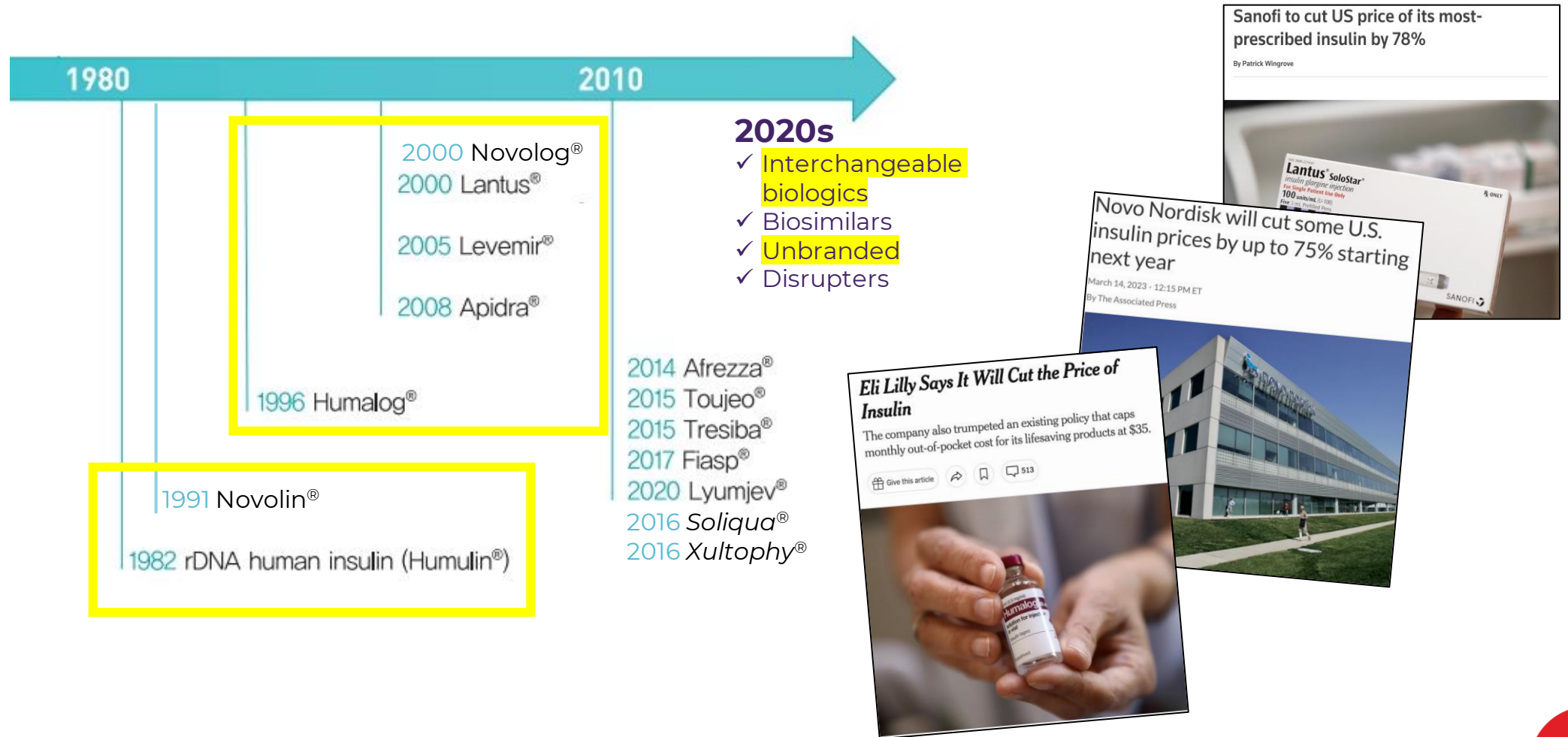
UNBRANDED INSULIN



**LOW LIST PRICE &
LOW/NO REBATE**

DLC

TRACTION! MANUFACTURER ANNOUNCEMENTS



Adapted from [Diabetes Metab J. 2021;45\(5\):629-640](#)

ANNOUNCEMENT SNAPSHOT

	WHAT	WHEN	WHY / WHY NOW?
LILLY	INSULIN LISPRO: 5/1/23 \$82 → \$25 HUMALOG: ▼70% \$275 → \$65 HUMULIN: ▼70% \$149 → \$45 *NEW* REZVOGLAR: \$92 for 5 pens <i>Expanded monthly cap program(\$35)</i>	3/1/23 – Q4 2023	POLICY & POLITICS <ul style="list-style-type: none"> • Political pressure • Anticipated Medicaid rebate liability MARKET FACTORS <ul style="list-style-type: none"> • Reduces \$ currently flowing to intermediaries instead of patients • Rebate savings could translate to increased earnings • Mature products with competitors like Civica Rx on the horizon • Shifting focus to newer products
NOVO	LEVEMIR: ▼65% → \$108 NOVOLIN: ▼65% → \$48.20 NOVOLOG: ▼75% \$289 → \$72 NOVOLOG MIX 70/30: ▼75% \$289 → \$72 Unbranded biologics ▼ to match <i>Maintained monthly cap program(\$99)</i>	1/1/24	
SANOFI	LANTUS: ▼78% \$292 → \$64 APIDRA: ▼70% \$309 → \$93 <i>Expanded monthly cap program(\$35)</i>	1/1/24	

POST-ANNOUNCEMENT LIST PRICES

BEFORE



AFTER



NovoLog®

insulin aspart injection 100 Units/mL

\$289

\$72

Insulin Aspart
Injection
One 10 mL multi-dose vial
100 units/mL (U-100)
Rx only

\$72

ReliOn®

NovoLog®
insulin aspart injection 100 Units/mL



LANTUS®
insulin glargine injection 100 Units/mL

\$284

\$63

Rezvoglar®
(insulin glargine-aglr) injection
100 units/mL

\$92

pens

Semglee®
(insulin glargine-yfgn) injection
100 units/mL (U-100)

Insulin Glargine
(insulin glargine-yfgn) Injection
100 units/mL (U-100)



Humalog®

insulin lispro injection
100 units/mL

\$275

\$65

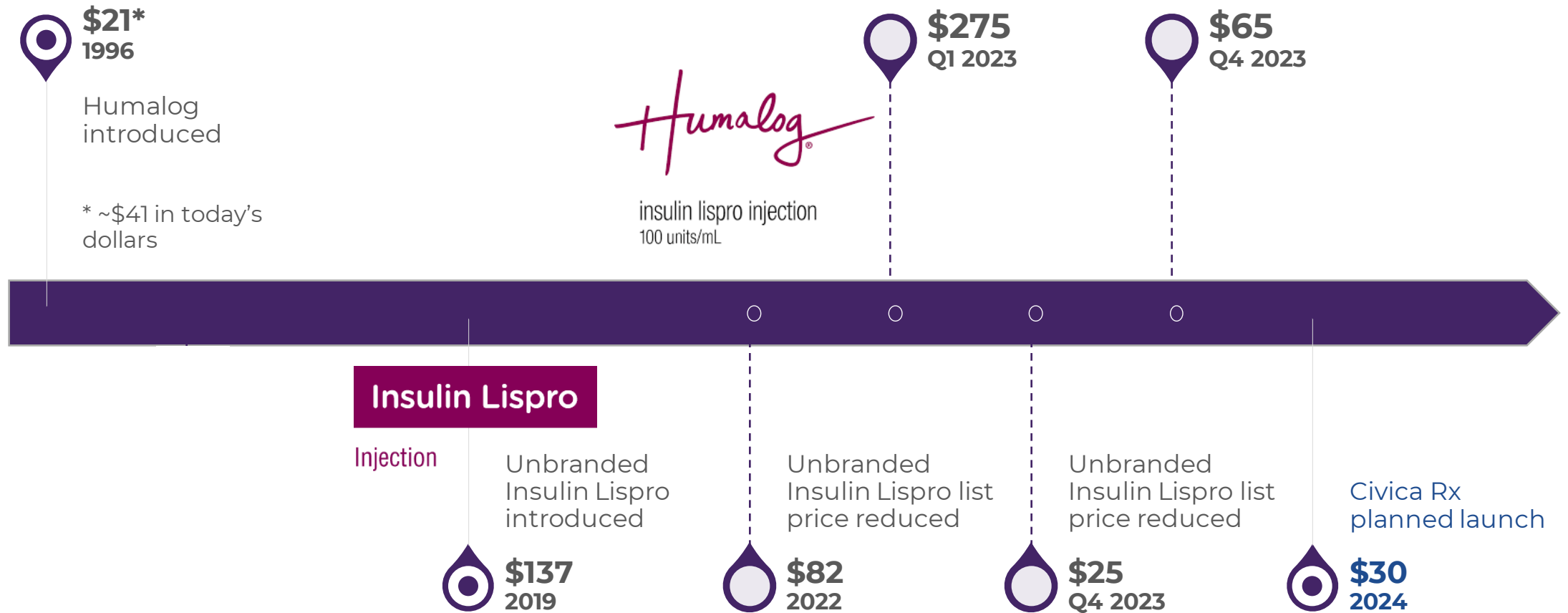
Insulin Lispro

Injection

\$25

DLC

HOW LOW WILL IT GO?

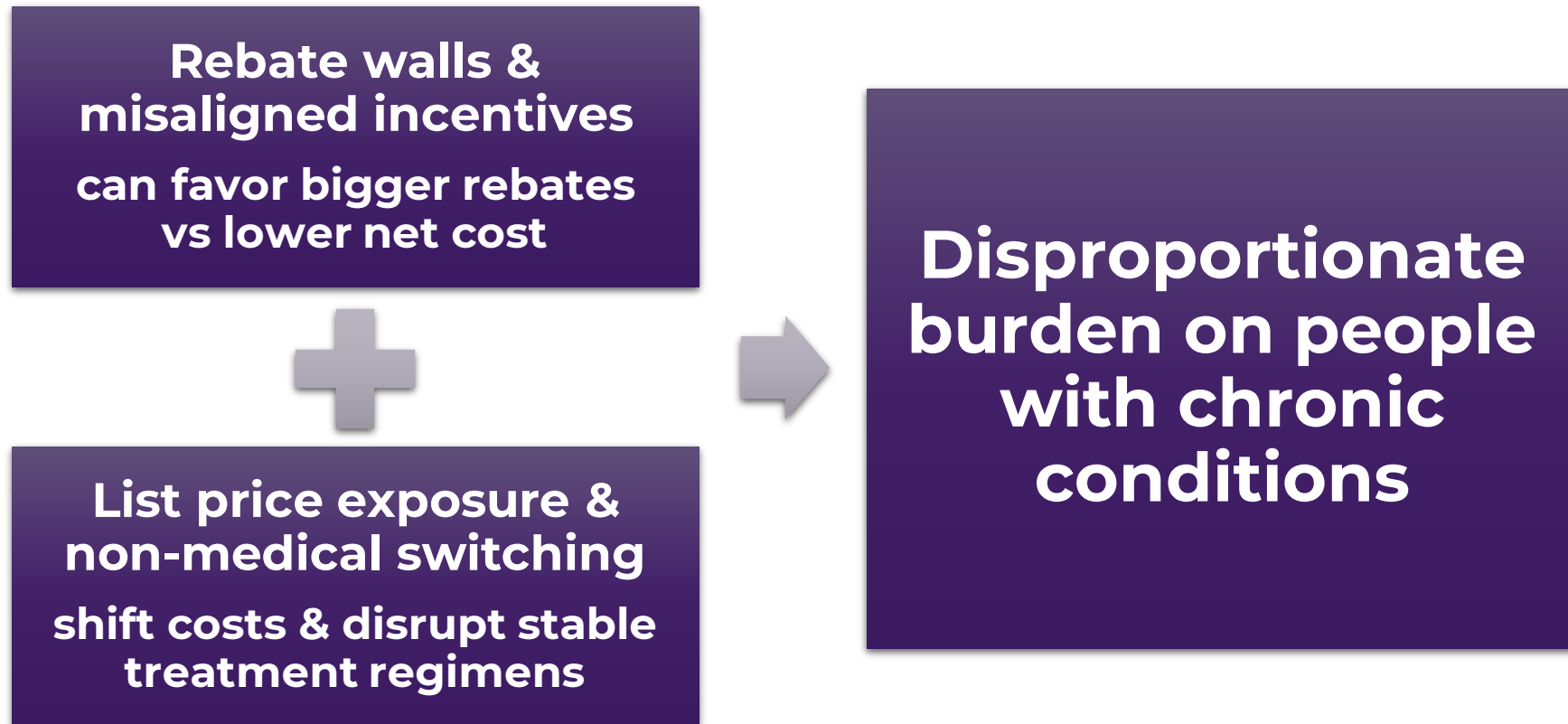


- **\$20** on GoodRx 5/21/23
- **~\$14** through Mark Cuban Cost Plus Drugs insulin test program (\$170 for up to 12 vials per 90 days)



LOWER PRICES ARE A WIN, RIGHT?

YES! WHEN PATIENTS SHARE DISCOUNTS FOR THEIR MEDICINES
(JUST LIKE OTHER HEALTH PRODUCTS & SERVICES)



TRACTION: TRANSPARENCY & ACCOUNTABILITY

FLASHBACK: 2022 WIG POLICY MEETING

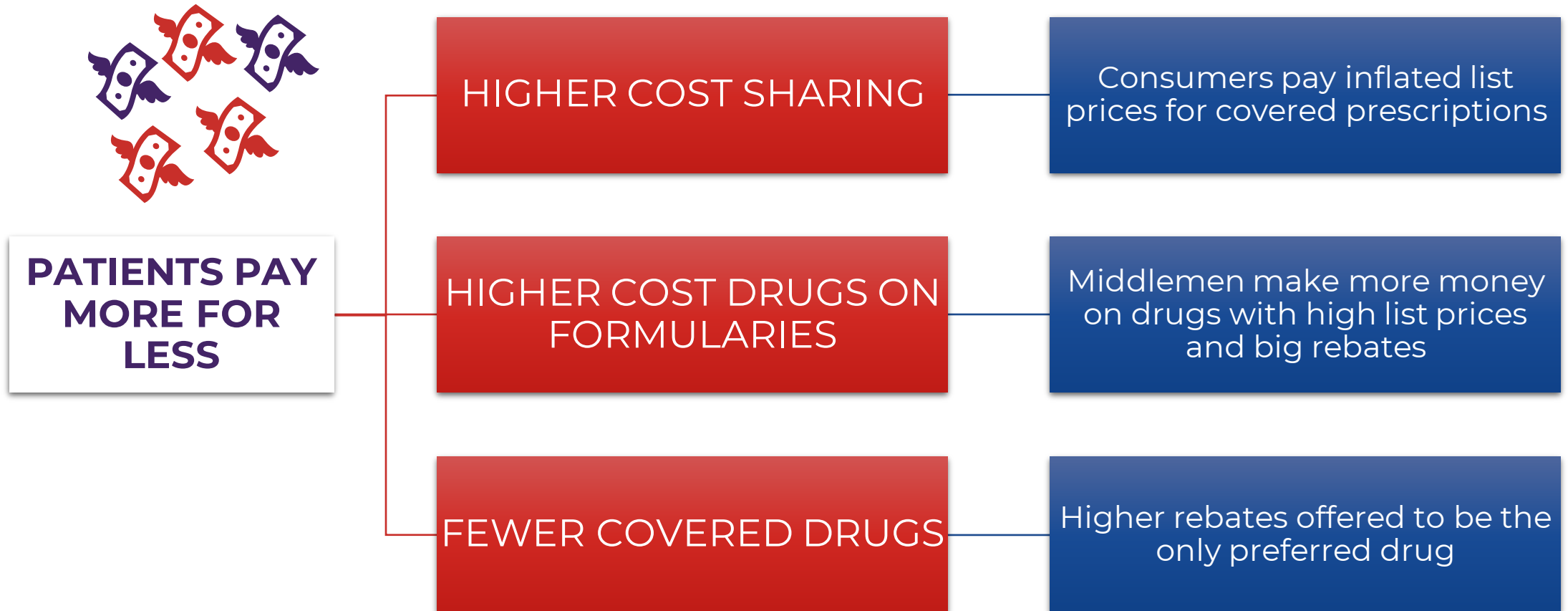
- ✓ COPAY ACCUMULATOR BAN
- ✓ REBATE PASS THROUGH

PATIENTS BENEFIT FROM:

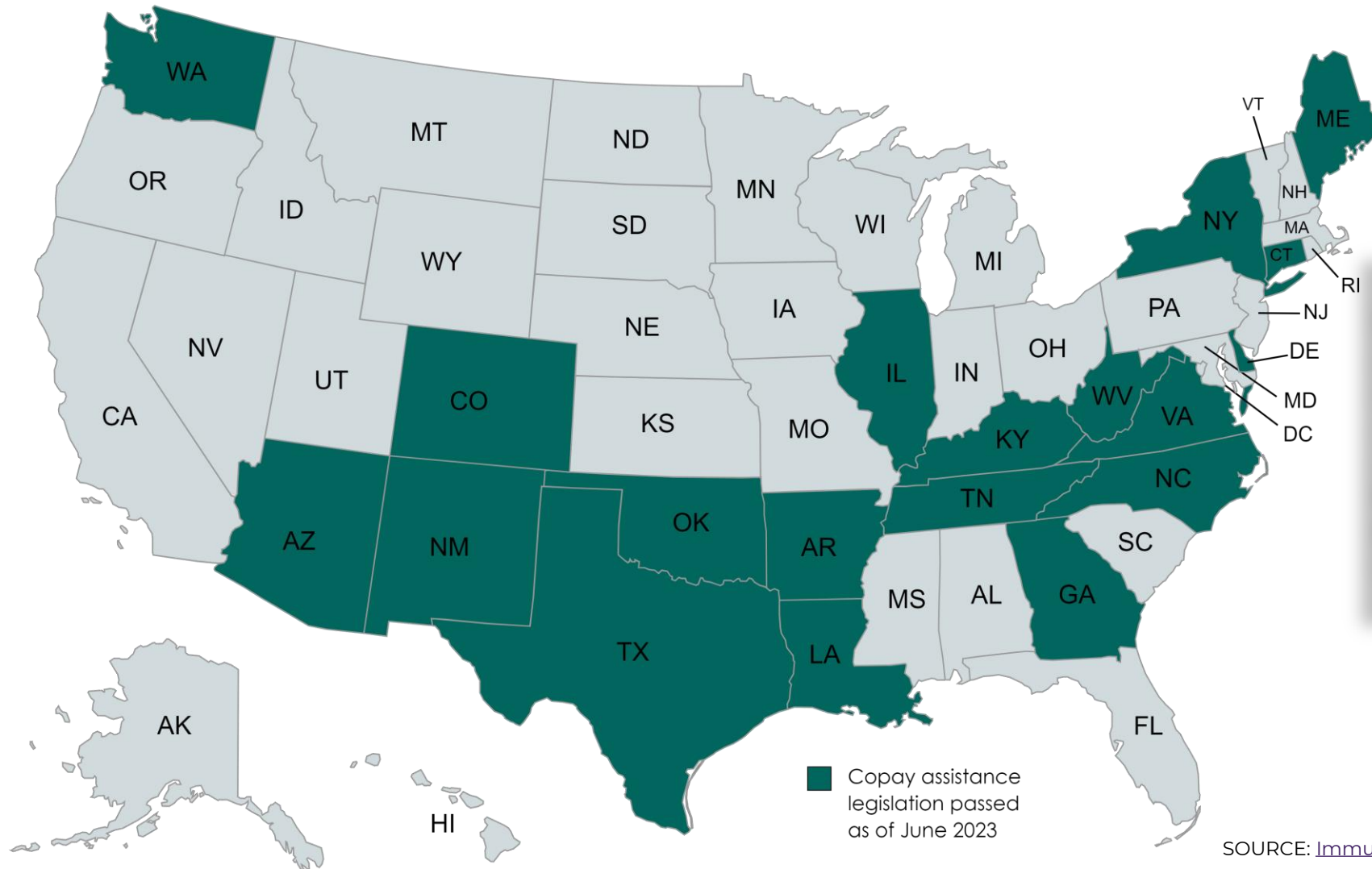
- Prescription drug payments made on their behalf
- Prescription drug discounts negotiated on their behalf



SYMPTOMS OF A BROKEN SYSTEM



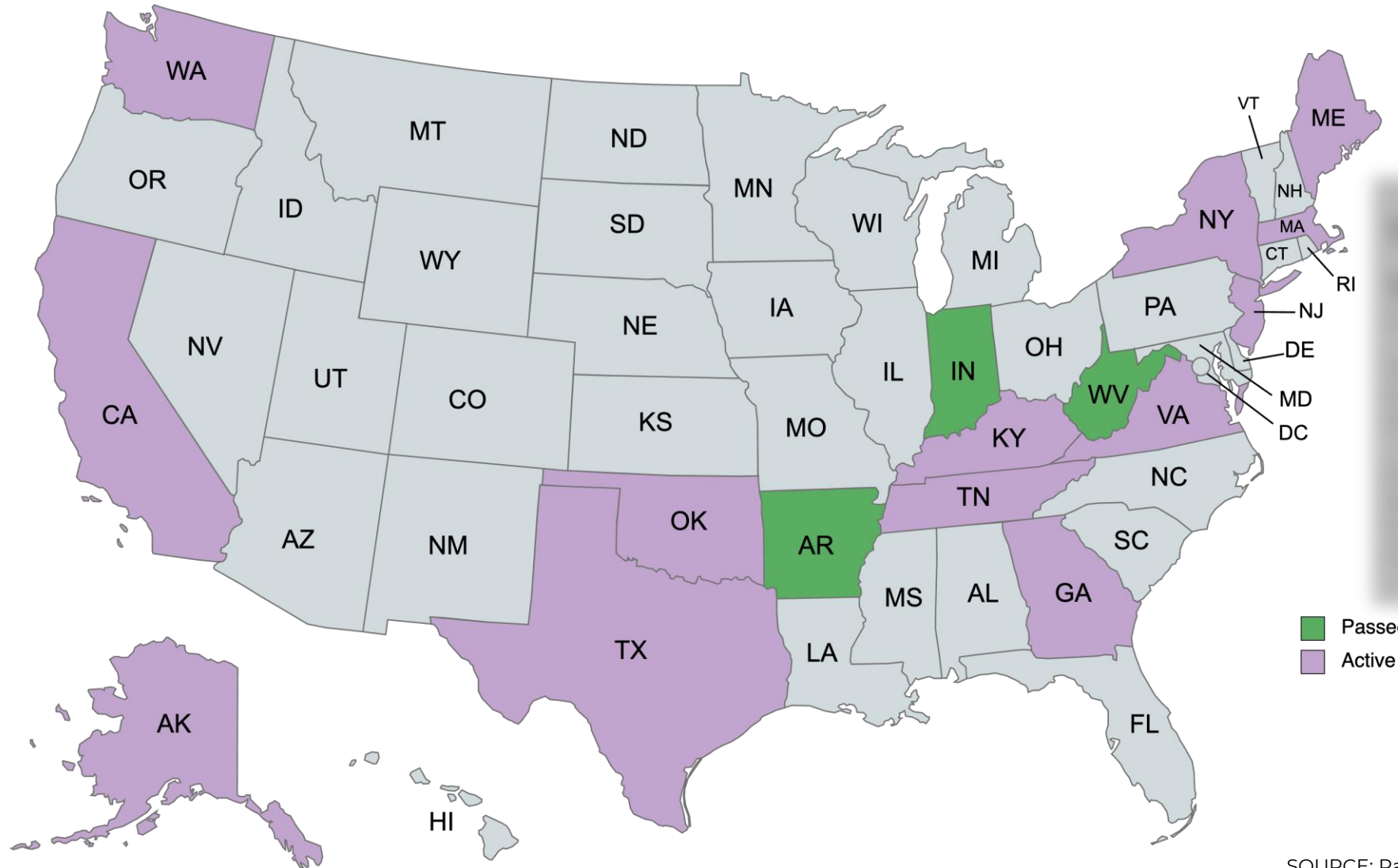
STATE TRACTION! COPAY ASSISTANCE PROTECTIONS



19 states and Puerto Rico require health plans to count copay assistance and other **payments made by or on behalf of patients** toward patient cost sharing

SOURCE: [Immune Deficiency Foundation](#)

STATE TRACTION! REBATE REFORM



IN 2023:

15 states introduced rebate reform legislation

West Virginia's first-in-the-nation rebate pass through bill took effect

Arkansas and Indiana became the second and third states to pass rebate reform

Passed
Active



THE SICK SUBSIDIZE THE HEALTHY

DIABETES	REBATE ²
Fast-acting insulins	73%
Intermediate- or long-acting combination insulins	71%
Long-acting insulins	63%
Combinations of oral blood glucose lowering drugs	65%
DPP-4 inhibitors	64%
GLP-1 analogues	38%

OBSTRUCTIVE AIRWAY DISEASES	
Selective beta-2-adrenoreceptor agonists	64%
Adrenergics in combination with corticosteroids or other drugs	67%
Glucocorticoids	69%

PEOPLE WITH CHRONIC CONDITIONS OVERPAY WHEN REBATES AREN'T SHARED

REBATES AVERAGE 48% ACROSS ALL BRANDS & CHRONIC CONDITIONS¹

OTHER CONDITIONS	REBATE ²
Incontinence	58%
Hepatitis C	47%
Ulcerative colitis	44%
Blood clots	43%
Menopause	35%
HIV	29%

1. National Bureau of Economic Research working paper 28439 <https://www.nber.org/papers/w28439>
2. Kakani P, Chernew M, Chandra A. Rebates in the pharmaceutical industry: evidence from medicines sold in retail pharmacies in the U.S. March 2020. NBER Working Paper 26846. <https://www.nber.org/papers/w26846>.

FEDERAL TRACTION

**REDUCING PRESCRIPTION DRUG COSTS
REQUIRES BETTER TRANSPARENCY &
ACCOUNTABILITY ACROSS THE SUPPLY CHAIN**

FEDERAL TRADE COMMISSION



- Investigating the 6 largest PBMs' impact on U.S. prescription drug access and affordability
- FTC's inquiry will shed much-needed light on PBM practices impacting patients and pharmacies
- Recently expanded to include additional PBM entities

118th CONGRESS



Since January launched an unexpected (but much-needed!) bipartisan, bicameral examination of the prescription drug supply chain:

- Hearings
- Investigations
- Legislation

PUBLIC BENEFIT CORPORATIONS



- Public benefit corporations and some for-profit entities are shedding light on misaligned incentives in current system
- Helps plan sponsors and policymakers deliver more patient-centered and evidence-based transparency and accountability

CONSOLIDATION & INTEGRATION

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2023



1. Since 2021, Prime's Blue Cross and Blue Shield plans have had the option to use Express Scripts or AllianceRx Walgreens Pharmacy for mail/specialty pharmacy services. In Dec. 2021, Walgreens purchased Prime Therapeutics' 45% ownership interest, so this business had no PBM ownership as of 2022. Effective June 2022, the company was rebranded as AllianceRx Walgreens Pharmacy.

2. Centene has announced that it would outsource its PBM operations to Express Scripts in 2024. In 2023, Centene rebranded its pharmacy benefit subsidiary as Centene Pharmacy Services.

3. In 2021, Centene sold a majority stake in its U.S. Medical Management to a group of private equity firms.

4. Since 2020, Prime has sourced formulary rebates via Ascent Health Services. In 2021, Humana began sourcing formulary rebates via Ascent Health Services for its commercial plans.

5. Previously known as Evernorth Care Group and Cigna Medical Group.

6. In 2021, Cigna's Evernorth business acquired MDLIVE.

7. In 2022, Cigna invested \$2.7 billion for an estimated 14% ownership stake in VillageMD. Walgreens owns a majority of VillageMD.

8. In September 2022, CVS Health announced its acquisition of Signify Health. In February 2023, CVS announced its acquisition of Oak Street Health. Both transactions closed in 2023.

9. Previously known as IngenioRx.

10. In 2021, Partners in Primary Care and Family Physicians Group businesses were rebranded as CenterWell Senior Primary Care.

11. In 2022, Kindred at Home was rebranded as CenterWell Home Health. In 2022, Humana announced an agreement to divest its majority interest in Kindred at Home's Hospice and Personal Care Divisions to Clayton, Dubilier & Rice. Humana also announced plans to close a majority of its SeniorBridge home care locations.

Source: *The 2023 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*, Exhibit 234. Companies are listed alphabetically by corporate name.

LET'S FIX THE BROKEN SYSTEM

WE CAN CONTINUE REQUIRING
SICK PEOPLE TO PAY:

- More than the negotiated plan rate for prescriptions so intermediaries can pocket the spread
- Above-market prices to “keep premiums down” for everyone else (but not really)

OR WE CAN FIX IT



Less Talk, More Action

We need politicians and lawmakers to start putting their talk into action. Keep your commitment to the 100 million people with pre diabetes and diabetes enabling them to achieve better health outcomes.

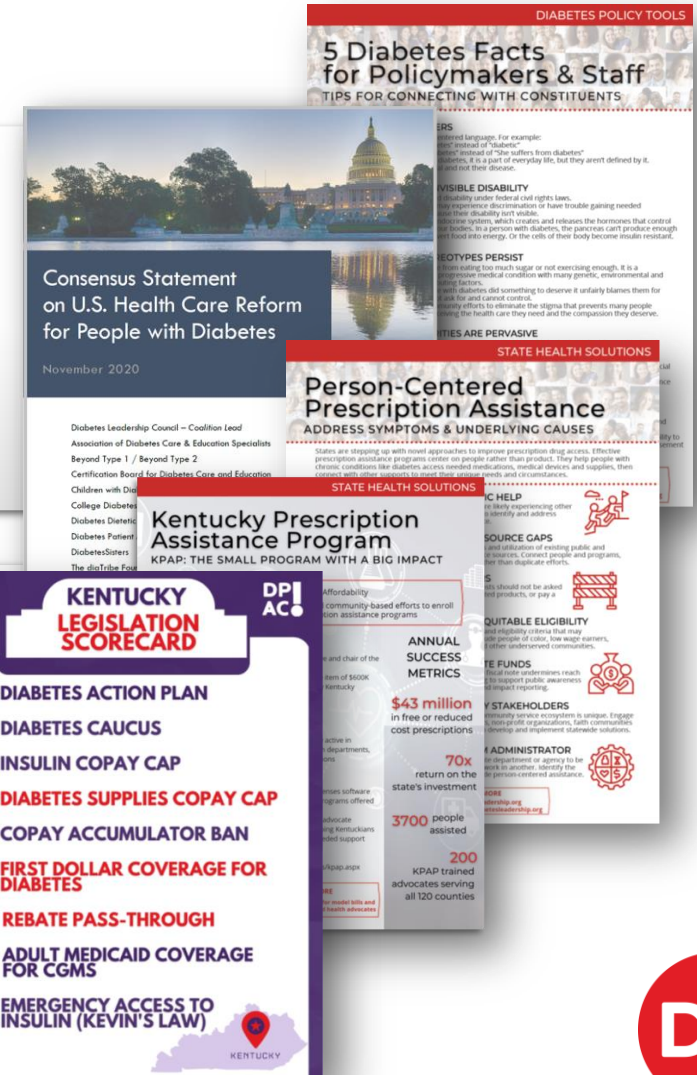
RESOURCES FOR CHANGE-MAKERS



- Subject matter experts
- Policymaker briefings
- Consensus statement
- Issue briefs



- Grassroots advocates
- State score cards
- Advocate training
- Diabetes & obesity handbook **coming soon*



THANK YOU

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diabetesleadership.org