



**Senate Bill 220
Proponent Testimony**

Gary Dougherty
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American Diabetes Association®
Senate Insurance Committee
September 22, 2021

Chairman Hackett and Members of the Senate Insurance Committee:

My name is Gary Dougherty and I am the Director of State Government Affairs for the American Diabetes Association® (ADA).

Every day, more than 4,000 people are newly diagnosed with diabetes in America. More than 122 million Americans have diabetes or prediabetes and are trying to manage their lives while living with the disease. The ADA is the nation's leading voluntary health organization fighting to bend the curve on the diabetes epidemic.

People with diabetes are facing a crisis.

Of the 34.2 million Americans with diabetes,¹ about 6.8 million use insulin.² Right here in Ohio, more than 4.3 million people have or are at risk for diabetes.³ Many people with diabetes need insulin to live and to avoid devastating complications that include blindness, kidney failure, lower limb amputation, heart attack, stroke, and even death.

Insulin prices have tripled between 2002 and 2013⁴ and have doubled since then⁵ - for a medicine that, as of this year, is 100 years old. There have been incredible advances in research and development and technology that have improved the lifespan and quality of life for those with diabetes, but the formula for insulin has not changed since the 1990s.

Without insulin, people with diabetes die and scaling back on insulin can lead to costly and sometimes deadly complications. Even before the pandemic, people with diabetes were sometimes forced to choose between paying for insulin and paying for other essentials like rent, utilities, or food for their families. ADA research has shown that, for one in four insulin users, cost has impacted their use.⁶ Rationing or skipping doses of insulin is unsafe and can lead to costly and preventable emergency room and hospital visits.

The cost to produce a vial of most of the newer, more effective analog insulins is between \$3.69 and \$6.16.⁷

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When you consider that all people with type 1 diabetes and, according to ADA research,⁸ more than a quarter of people with type 2 diabetes use insulin, there is no way to reconcile an equation that ends with the most commonly prescribed insulins typically costing as much as \$300, and sometimes more, for a single vial. And with people often needing multiple vials of insulin each month, the cost has spiraled out of control and is beyond the reach of many – for a drug that is necessary for upwards of a third of a million Ohioans to live.⁹

People shouldn't die because they can't afford to live.

We at the American Diabetes Association consistently hear from people with diabetes who struggle to afford their insulin. There is no medication that can be substituted for insulin. It is, in fact, life-sustaining and many Ohioans are struggling to obtain the insulin they need to survive.

SB 220 would help people in state-regulated, commercial health plans by capping the co-pay they are paying for their insulin at \$35 per 30-day supply, regardless of the amount or type of insulin needed to fill a person's prescription. By ensuring that insulin is affordable, people with diabetes are then in a position to stay healthy and productive. Proper management of their diabetes in turn reduces costly complications. The Association estimated that the cost of diabetes in Ohio in 2017 was more than \$15 billion.¹⁰ By keeping insulin affordable, we can help keep people with diabetes out of the ER and the hospital, and away from expensive and potentially disabling or deadly complications.

Colorado enacted the first-in-the-nation insulin co-pay cap law in 2019 with 19 additional states, plus the District of Columbia, following suit since then. This includes neighboring Kentucky and West Virginia as well as such diverse states as Alabama, Oregon, Texas, Utah, Virginia, and Washington. Ohio should continue this momentum by enacting SB 220.

In response to Sen. Craig's and Sen. Manning's sponsor testimony last week, there were questions about the reasons for the high cost of insulin. According to ADA's former Insulin Access and Affordability Working Group,¹¹ a number of variables contribute to the high cost of insulin.

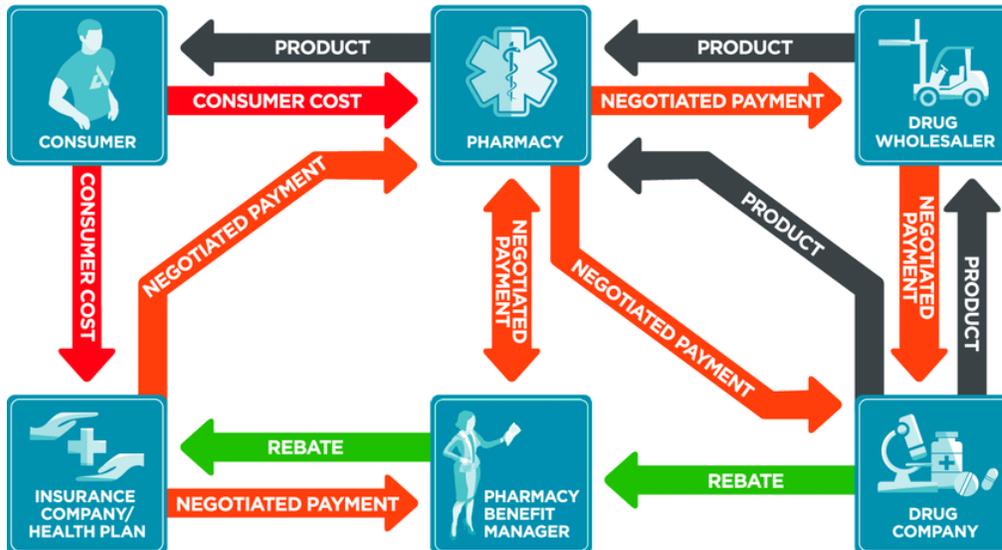
Primarily, there is a lack of transparency throughout the insulin supply chain. As you can see from the graphic I have included with my testimony, understanding the insulin supply chain and the role of each entity in the supply chain is daunting. There are numerous stakeholders (manufacturers, wholesalers, health plans, PBMs, and pharmacies) involved in the delivery of insulin, with multiple opaque transactions between and among each of them. In the end, it is unclear precisely how the dollars flow and how much each entity in the insulin supply chain profits.

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Insulin Supply Chain: A Complex System



There is also virtually no competition as there are only three major manufacturers of insulin.

It's time to reduce the financial burden on Ohio diabetes patients who need insulin. People with diabetes, Ohioans with diabetes, *your constituents* with diabetes are sometimes forced to choose between insulin and rent or between insulin and food to survive.

The American Diabetes Association® believes that no individual in need of life-saving medications should ever go without due to prohibitive costs or accessibility issues. If insulin is not affordable, it is not accessible. We strongly support SB 220 and urge your support as well.

Thank you very much for your attention. If you have any questions, I will do my best to answer them for you.

¹ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, "National Diabetes Statistics Report 2020: Estimates of Diabetes and Its Burden in the United States, <https://www.cdc.gov/diabetes/pdfs/data/statistics/national-diabetes-statistics-report.pdf>

² American Diabetes Association, "Fast Facts: Data and Statistics about Diabetes," February 2020, https://professional.diabetes.org/sites/professional.diabetes.org/files/media/sci_2020_diabetes_fast_facts_sheet_final.pdf

³ Diabetes Care 2019;42:1661–1668 | <https://doi.org/10.2337/dc18-1226>

⁴ Diabetes Care 2018;41:1299–1311 | <https://doi.org/10.2337/dci18-0019>



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⁵ “Spending on Individuals with Type 1 Diabetes and the Role of Rapidly Increasing Insulin Prices,” Health Care Cost Institute, January 2019 - <https://healthcostinstitute.org/research/publications/entry/spending-on-individuals-with-type-1-diabetes-and-the-role-of-rapidly-increasing-insulin-prices>

⁶ American Diabetes Association, Insulin Affordability Survey, 2018, available at <http://main.diabetes.org/dorg/PDFs/2018-insulin-affordability-survey.pdf>

⁷ Gotham D, Barber MJ, Hill A. Production costs and potential prices for biosimilars of human insulin and insulin analogues. *BMJ Glob Health* 2018;3:e000850. doi:10.1136/bmjgh-2018-000850, available at <https://gh.bmj.com/content/3/5/e000850>

⁸ <https://care.diabetesjournals.org/content/27/1/17>

⁹ Approximately 5-10% of people with diabetes have type 1. In Ohio, based on ADA statistics (<https://doi.org/10.2337/dc18-1226>), somewhere between about 48,000 and 97,000 people have diagnosed type 1 diabetes and require insulin to live. Some people with type 2 diabetes also require insulin drugs as, over time, their natural insulin production becomes less adequate. ADA research (<https://care.diabetesjournals.org/content/27/1/17>) suggests that 27% of persons with type 2 diabetes use insulin therapy, so another 235,000 to 249,000 more Ohioans also require insulin. An estimated total of 283,000 – 346,000 Ohioans use insulin.

¹⁰ *Diabetes Care* 2019;42:1661–1668 | <https://doi.org/10.2337/dc18-1226>

¹¹ <https://care.diabetesjournals.org/content/diacare/41/6/1299.full.pdf>

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