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**Senate Finance Subcommittee on Health and Medicaid
Senate Bill 231 Sponsor Testimony
Require the Attorney General to Investigate Insulin Pricing
February 25, 2020**

Chair Huffman, Vice Chair Hackett, Ranking Member Thomas and members of the Senate Finance Subcommittee on Health and Medicaid, thank you for the opportunity to provide sponsor testimony today on Senate Bill 231. This legislation would require the Ohio Attorney General to investigate insulin pricing.

Worldwide, there are three companies that make and sell insulin: Eli Lilly, Novo Nordisk, and Sanofi. Their price increases seem to happen in sync, a practice known as shadow pricing. While insulin hasn't changed much in the last century, the price of Eli Lilly's insulin, Humalog, and Nova Nordisks's Novalog have steadily increased over the last two decades. Between 2010 and 2019, the price of insulin in the U.S. has gone up 300%. Some patients report having seen their insulin increase by 150% in just one year. This is simply unacceptable for a drug that is medically necessary and life-saving.

The U.S. seems to be the only country seeing a rise in insulin costs. Canada's and Mexico's insulin prices are drastically lower, to a point where some Americans find it cheaper to travel to those countries to buy it. In Mexico, insulin is 40 to 60% cheaper than in the United States, and in Canada it is 90% cheaper¹. As a state, one step we can take to protect consumers is to investigate the insulin supply chain to better understand pricing practices.

This legislation requires the Ohio Attorney General to investigate insulin costs by researching the practices of drug manufacturers, health insurers, pharmacy benefit managers, state departments and pharmacies. No later than 18 months after the bill's enactment, the AG's office will be asked to publish a report that includes recommendations for preventing insulin overpricing and for improving Ohio's consumer protection laws. The investigation and report will remain confidential, due to proprietary information, but will be submitted to the Governor, the Director of Insurance, and the chairpersons and ranking minority members of the Health, Civil Justice and Criminal Justice committees of the Ohio General Assembly.

It is unacceptable that our state doesn't have a clear understanding of this suspicious pricing scheme and what is causing insulin prices to rise. Underinsured families can spend as much as what they pay for a mortgage on insulin in a month. This cost pushes individuals and families to take drastic measures. Some people ration or buy cheaper, less reliable insulin. These practices can cause life-threatening complications, including death.

Simply put, we must better understand the insulin supply chain to put into place consumer protections with life-saving potential. Thank you, Chairman Huffman and other members of the committee, for the opportunity to testify on this important legislation. We welcome any questions at this time.

¹ - <https://khn.org/news/americans-cross-border-into-mexico-to-buy-insulin-at-a-fraction-of-u-s-cost/>