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State Representative

Chairman Lipps, Vice Chair Holmes, and Ranking Member Russo, thank you for allowing me to provide sponsor testimony on HB 305. This legislation would prohibit insurers from charging more than \$35 for a 30-day supply of insulin, regardless of how much insulin the patient needs in those 30 days. This legislation is modeled, in part, after similar laws passed in 20 states and Washington, D.C., alongside those insured under Medicare Part D plans. This is implemented on a per-prescription basis.

HB 305 is a re-introduction with some modification of HB 387 from the 133rd General Assembly and the companion to Senate Bill 220, sponsored by Senators Hearcel Craig and Nathan Manning. I am proud to highlight this is a bipartisan, bicameral bill that will unequivocally save lives.

As most of you know, I work in the hospital setting – caring for adults and children who are hospitalized. There is not a shift that goes by when I don't manage a complication from diabetes. Some of these are long term complications, the result of many years of disease. However, for many, I am dealing with short term complications that directly result from not having enough insulin. Last General Assembly we passed legislation creating 'DKA awareness day' to highlight the life-threatening condition that rapidly results when those with Type 1 diabetes do not have insulin. Untreated, this is universally fatal and kills within days. For these individuals, insulin is as critical as water or air. There is no substitute. There is no other medication, there are no lifestyle or behavior changes that these individuals could have done. Without insulin those with Type 1 diabetes will die and they will die quickly.

Insulin prices have been rising at incredible rates despite the fact that insulin has been around for 100 years. One vial of insulin lispro, which used to cost \$21 in 1999, cost \$332 in 2019, while insulin costs in other countries remained the same. Most people require several vials of insulin every month. The original patent was sold for one single dollar by those that discovered this life-saving drug – so that it could be a public good.

The reasons for the rising insulin costs are opaque. According to a 2018 article in the British Medical Journal, the cost to produce a vial of most of the newer, more effective analog insulins is between \$3.69 and \$6.16, well below the cost-sharing cap in this legislation.

Insulin is manufactured and sold by three companies across the globe controlling 99% of the total insulin by value, 96% by total market volume, and 88% of global product registrations. The published data suggest that when one insulin manufacturer increases the price for a given insulin formulation, the other insulin manufacturers often increase their prices by a similar amount shortly thereafter. Barriers to entry into the insulin manufacturing market are quite high, particularly as the practice of 'patent evergreening' appears rampant. The supply chain is complicated and lacking in transparency with manufacturers, wholesalers, pharmacy benefit managers and insurers - and involving negotiated prices and rebates.

What is clear, however, is that the cost of this complicated system should not be born by those who are sick and need insulin to live.



Opponents of this bill might be afraid that capping insulin costs will increase the price of health insurance premiums for all. A study in Colorado estimated that should insurers in that state pass on all potential increases in costs directly to premiums it might lead to an increase of less than \$1 per person. However, this short-term view completely ignores the cost of the complications that we see from uncontrolled diabetes. The American Diabetes Association estimated that the cost of diabetes in Ohio in 2017 was more than \$15 billion. Preventing complications is more cost effective than the ED visits and hospitalizations insurers would otherwise need to cover. No one is buying more insulin than they need because the price goes down. I would argue this bill will save money as well as lives. I urge your support for this important legislation.

Thank you for your attention. I am happy to answer any questions that you have.