



Statement for the Record: Tracey Brown, CEO, American Diabetes Association
Senate Health, Education, Labor and Pensions (HELP) Committee, Primary Health
and Retirement Security Subcommittee Hearing:
“Why Does the US Pay the Highest Prices in the World for Prescription Drugs?”
March 23, 2021

Thank you Chairman Sanders, Ranking Member Collins, and distinguished members of the Health, Education, Labor and Pensions (HELP) Committee’s Primary Health and Retirement Security Subcommittee for providing the American Diabetes Association (ADA) the opportunity to submit written comments regarding the rising cost of prescription drugs. We appreciate you considering this important topic at this critical time.

The ADA is the nation’s leading voluntary health organization fighting to bend the curve on the diabetes epidemic and help people living with diabetes thrive. For 80 years the ADA has been driving discovery and research to treat, manage, and prevent diabetes, while working relentlessly for a cure. We help people with diabetes thrive by fighting for their rights and developing programs, advocacy, and education designed to improve their quality of life.

As you are no doubt aware, the ever-rising cost of prescription drugs has created an outsized burden on everyday Americans from all walks of life. But for people with diabetes, many of whom rely on medications like insulin to manage their condition, this financial barrier can mean the difference between life and death. The price of insulin alone has roughly tripled in the past decade, increasing from less than \$100 for an average vial in 2009 to nearly \$300 for the same vial today, even though today’s insulin is nearly the exact same product as it was ten years ago.¹ With these facts in mind, it should be little surprise that Americans spend more treating diabetes than any other chronic condition; that people with diabetes in the U.S. spend two and a half times more on health care than those who do not have diabetes; that they account for \$1 in every \$3 spent on prescription drugs, and 25 cents of every dollar spent on health care, in America today; and that one in four insulin-dependent Americans report rationing their insulin supply due to financial difficulty.² These numbers were reported before the outbreak of COVID-19.

¹ Rachel Gillett and Shayanne Gal, “One Chart Reveals How the Cost of Insulin Has Skyrocketed in the US, Even Though Nothing About It Has Changed,” *Business Insider*, September 18, 2019, <https://www.businessinsider.com/insulin-price-increased-last-decade-chart-2019-9>.

² American Diabetes Association, “Economic Costs of Diabetes in the US in 2017,” *Diabetes Care* 41, no. 5 (2018): 917-928, <https://care.diabetesjournals.org/content/41/5/917>; Sarah Stark Casagrande and Catherine C. Cowie, “Health Insurance Coverage Among People With and Without Diabetes in the US Adult Population,” *Diabetes Care* 35, no. 11 (2012): 2243-2249, <https://care.diabetesjournals.org/content/35/11/2243>; Centers for Medicare and Medicaid Services, “National Health Expenditure Data – Historical,” NHE Tables, December 16, 2020,

Now that we are in the midst of a once-in-a-century global pandemic and consequent economic downturn, the challenges the diabetes community faces have only compounded, and been disproportionate to the population as a whole. Americans with diabetes and other related underlying health conditions are hospitalized with COVID-19 six times as often and die of COVID-19 twelve times as often as those who do not have diabetes.³ One in ten coronavirus patients with diabetes dies within one week of hospital admission.⁴ And Americans with diabetes account for 40 percent of COVID-19 fatalities nationwide, despite making up just 10 percent of the U.S. population.⁵

In addition, beyond facing a heightened risk for the worst of the virus's health effects, Americans with diabetes have also experienced magnified financial challenges in the pandemic's wake. Recent surveys suggest that people with diabetes have suffered pandemic-driven unemployment at a rate 50 percent higher than the national rate.⁶ Fully one-third of Americans with diabetes have lost income due to COVID-19, and one in four report needing to dip into their savings, take out a loan, or use their stimulus checks to afford diabetes medication or supplies since the start of the pandemic.⁷ Since COVID began, nearly one in five people with diabetes reports being forced to choose between buying food and filling their prescriptions.⁸

While these more recent trends are startling, the financial toll of paying for insulin and many other prescriptions needed for people with diabetes is not new, and disproportionately heavy, which is why it is critical that Congress take aggressive action to lower the cost of prescription drugs. With that in mind, we hope to see Congress take

<https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>; American Diabetes Association, "The Cost of Diabetes," <https://www.diabetes.org/resources/statistics/cost-diabetes>; Darby Herkert et. al., "Cost-Related Insulin Underuse Among Patients with Diabetes," *JAMA Internal Medicine* 179, no. 1 (2019): 112-114, <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2717499>.

³ Erin K. Stokes et. al., "Coronavirus Disease 2019 Case Surveillance—United States, January 22–May 30, 2020," *Morbidity and Mortality Weekly Report (MMWR)*, Centers for Disease Control and Prevention, June 15, 2020, https://www.cdc.gov/mmwr/volumes/69/wr/mm6924e2.htm?s_cid=mm6924e2_w#T1 down.

⁴ Karena Yan, "1 in 10 People with COVID and Diabetes Die Within Seven Days of Hospital Admission," *diatribe Learn*, June 22, 2020, <https://diatribe.org/1-10-people-covid-and-diabetes-die-within-seven-days-hospital-admission>.

⁵ Jonathan M. Wortham et. al., "Characteristics of Persons Who Died with COVID-19 — United States, February 12–May 18, 2020," *Morbidity and Mortality Weekly Report (MMWR)*, Centers for Disease Control and Prevention, July 10, 2020, <https://www.cdc.gov/mmwr/volumes/69/wr/mm6928e1.htm>; American Diabetes Association, "Statistics About Diabetes," <https://www.diabetes.org/resources/statistics/statistics-about-diabetes>.

⁶ American Diabetes Association and dQ&A, "Diabetes and COVID-19: New Data Quantifies Extraordinary Challenges Faced by Americans with Diabetes During Pandemic," July 29, 2020, https://www.diabetes.org/sites/default/files/2020-07/7.29.2020_dQA-ADA%20Data%20Release.pdf.

⁷ *Ibid.*

⁸ American Diabetes Association and *Diabetes Daily*, "Effects of the COVID-19 Pandemic on People with Diabetes," December 23, 2020, <https://www.diabetes.org/sites/default/files/2020-12/ADA%20Thrivable%20Data%20Deck.pdf>.

steps this year to make insulin and other medications and supplies for people with diabetes more affordable, including:

- Increasing transparency throughout the pharmaceutical supply chain, including efforts to shed light on pricing practices, improve accountability in the pharmacy benefit manager (PBM) market, and ensure that rebates are benefiting patients and not artificially increasing prices or limiting patient options;
- Speeding competitive generic drug and biosimilar alternatives to market by, among other things, addressing loopholes in our patent system that allow manufacturers to stave off competition;
- Cracking down on insurance practices that push patients to choose between quality and affordability, including prior authorization and step therapy (or “fail first”) policies that force patients to try the least expensive drug in a class first, even if their prescribing physician believes a different therapy is in the patient’s best clinical interest; and
- Increasing oversight and regulation of specialty drug tiers used by insurers that shift the cost-sharing burden disproportionately onto patients with rare and/or chronic conditions who rely on these medications.

It is our hope that this Subcommittee will keep our community top of mind while working on these issues and to identify additional paths forward.

Additionally, while Congress has for some time considered policy approaches to make drug costs more affordable, we urge this Subcommittee and Congress more broadly to prioritize policy approaches that will serve the medical interests of patients and put money back in their pockets. Proposals that simply shift funds among players in the supply chain are not going to serve patients if patients themselves are not realizing savings—at the pharmacy counter, in their premiums, and in the cost of deductibles. Practical approaches that put patients first should be the first goal of any effort to make drugs more affordable.

Thank you for the opportunity to submit this testimony for the record. The American Diabetes Association looks forward to continuing to work with Congress to identify ways to lower the cost of prescription drugs and ensure that all Americans with diabetes can afford to stay safe and healthy.