



**Statement for the Record of Lisa Murdock, Chief Advocacy Officer,  
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Senate Finance Committee Hearing:  
“Prescription Drug Price Inflation: An Urgent Need to Lower Drug Prices in Medicare”  
March 16, 2022**

Thank you, Chairman Wyden, Ranking Member Crapo and distinguished members of the Finance Committee, for providing the American Diabetes Association (ADA) the opportunity to submit written comments regarding the rising cost of prescription drugs in Medicare. 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 increasing cost of prescription drugs has created an outsized burden on the diabetes community, which has grown to 37 million—more than one in 10—Americans. For people with diabetes, many of whom rely on insulin and other expensive medications to manage their condition, this financial barrier can mean the difference between life and death. The price of insulin 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 10 years ago.<sup>1</sup> 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; and that one in four insulin-dependent Americans report rationing their insulin supply due to the cost of the drug and financial difficulty.<sup>2</sup>

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<sup>1</sup> 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>.

<sup>2</sup> 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, <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and->

During the pandemic and consequent economic downturn, the diabetes community faced a disproportionate health burden of COVID-19. Americans with diabetes and other related underlying health conditions were hospitalized with COVID-19 six times as often and died of COVID-19 12 times as often as those who did not have diabetes.<sup>3</sup> One in 10 coronavirus patients with diabetes died within one week of hospital admission.<sup>4</sup> And Americans with diabetes accounted for 40 percent of COVID-19 fatalities nationwide, despite making up just 10 percent of the U.S. population.<sup>5</sup> While we are still learning about the relationship between COVID-19 and diabetes, we know that unmanaged diabetes—whether a lack of medication use or missing doses—is a key factor in COVID-19 severity and complications, and an important indicator of whether someone with diabetes and COVID-19 is likely to have a longer hospitalization.<sup>6</sup>

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. ADA surveys during the pandemic suggest that people with diabetes suffered pandemic-driven unemployment at a rate 50 percent higher than the national rate.<sup>7</sup> One-third of Americans with diabetes reported that they lost income due to COVID-19, and one in four reported 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.<sup>8</sup> Nearly one in five people with diabetes reported being forced to choose between buying food and filling their prescriptions.<sup>9</sup>

These troubling trends, coupled with the increasing cost of insulin, makes action by Congress to reduce the cost of insulin specifically, and prescription drugs more broadly, urgent. When it

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[reports/nationalhealthexpenddata/nationalhealthaccountshistorical](#); 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>.

<sup>3</sup> 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](https://www.cdc.gov/mmwr/volumes/69/wr/mm6924e2.htm?s_cid=mm6924e2_w#T1_down).

<sup>4</sup> 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>.

<sup>5</sup> 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>.

<sup>6</sup> Dr. Sudip Bajpeyi and Ali Mossayebi, “Unmanaged Diabetes as a Poor Prognostic Factor in the Severity of Infection and Recovery Time of Hospitalized COVID-19 Patients,” *American Diabetes Association*, June 25, 2020, <https://www.diabetes.org/newsroom/press-releases/2021/unmanaged-diabetes-associated-with-greater-COVID-19-severity>.

<sup>7</sup> 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](https://www.diabetes.org/sites/default/files/2020-07/7.29.2020_dQA-ADA%20Data%20Release.pdf).

<sup>8</sup> *Ibid.*

<sup>9</sup> 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>.

comes to insulin, we can learn from Medicare to expand cost-saving benefits to people with diabetes on commercial health insurance plans. One-third of Medicare beneficiaries have diabetes, and more than 3.3 million seniors on Medicare use insulin. During the Trump administration, the Centers for Medicare and Medicaid Services (CMS) Innovation Center launched the Senior Savings Model, a five-year program to offer seniors Medicare Part D plan options that cap the beneficiary's cost-sharing for insulin at \$35 a month, regardless of the beneficiary's coverage phase. The Biden administration continued the pilot program in 2022, and more than 500 Part D plans are participating in the model this year.<sup>10</sup>

This successful bipartisan approach to reducing out-of-pocket costs for patients who use insulin can be replicated across insurance plans, and Congress has already taken steps to do just that. Last year, the House of Representatives passed the Build Back Better Act, which included a \$35 monthly co-pay cap on insulin for commercial health insurance plans, group health insurance plans covered by the Employee Retirement Income Security Act (ERISA) and Medicare. Meanwhile several Senate Republicans introduced the Lower Costs, More Cures Act, which would make the Senior Savings Model and the \$35 insulin co-pay cap in Medicare permanent. In February, the Affordable Insulin Now Act—a stand-alone bill with the Build Back Better Act's insulin co-pay cap provisions—was introduced in the House and the Senate.

As a result of the ADA's leadership in advocating for state and federal caps on cost-sharing for insulin, 20 states and the District of Columbia have already enacted co-pay caps. Still, since these caps are limited to individuals covered by state-regulated insurance, more is needed to expand and deepen the impact of limits on cost-sharing. We know that co-pay caps can provide immediate, noticeable financial relief to patients. An analysis of California Senate Bill 473—which would cap out-of-pocket costs for insulin at \$50 per month for state regulated plans—would offer patients currently paying above the cap a 55 percent reduction in cost-sharing, from an average of \$88 per prescription to \$39 per prescription. The analysis estimated a 10 percent decrease in diabetes-related emergency room visits, which could reduce ER costs by more than \$2 million in the cap's first year should the state enact it.<sup>11</sup>

The best way forward is to enact a national insulin co-pay cap right now so Americans with diabetes can benefit from reduced costs regardless of the type of insurance they have. By contrast, policies that simply shift funds among industry players in the health care supply chain are less valuable unless patients themselves are realizing direct savings—at the pharmacy counter, in their premiums and in the cost of deductibles. Practical approaches like a monthly co-pay cap that put patients first should be a key goal of any effort to make drugs more affordable.

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<sup>10</sup> "Part D Senior Savings Model," U.S. Centers for Medicare and Medicaid Services, February 28, 2022, <https://innovation.cms.gov/innovation-models/part-d-savings-model>.

<sup>11</sup> "Analysis of California Senate Bill 473 Insulin Cost Sharing," California Health Benefits Review Program, April 19, 2021, <http://analyses.chbrp.com/document/view.php?id=1566>.

Given that people with diabetes typically require more than one medication to manage their diabetes and other co-morbidities—indeed, the U.S. diabetes community accounts for \$1 of every \$4 spent on health care, including prescription drugs, in America—we hope to see Congress take additional steps this year to make prescription medication and supplies for people with diabetes more affordable.<sup>12</sup> Among our priorities are:

- 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.

Thank you for the opportunity to submit this testimony for the record. The ADA looks forward to continuing to work with Congress to enact a national co-pay cap on insulin and identify other ways to reduce the cost of prescription drugs so that all Americans with diabetes can afford to stay safe and healthy.

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<sup>12</sup> “Cost Effectiveness of Diabetes Interventions,” National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, March 7, 2022, <https://www.cdc.gov/chronicdisease/programs-impact/pop/diabetes.htm>.