



Statement for the Record: Tracey Brown, CEO, American Diabetes Association
House Energy and Commerce Committee, Health Subcommittee Hearing:
“Negotiating a Better Deal: Legislation to Lower the Cost of Prescription Drugs”
May 4, 2021

Thank you Chairwoman Eshoo, Ranking Member Guthrie, and distinguished members of the Energy and Commerce Committee’s Health Subcommittee for providing the American Diabetes Association (ADA) the opportunity to submit comments regarding the rising cost of prescription drugs. We appreciate your consideration of 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. Since 2014, insulin list prices have surged by more than 50%, while list prices for non-insulin diabetes medications have spiked by over 75% – a much steeper increase than costs for all drugs, which increased by just 30% over the same period.¹ With these facts in mind, it should be little surprise that diabetes is the most expensive chronic disease in the U.S.; that Americans with diabetes 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-

¹ Amanda Nguyen and Katie Mui, “The Staggering True Cost of Diabetes,” *GoodRx Research*, April 2020, <https://www.goodrx.com/blog/wp-content/uploads/2020/04/Diabetes-Cost-White-Paper.pdf>.

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, <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.,

19. The pandemic triggered a mass unemployment event, and loss of income and health insurance among people with diabetes made these costs even more burdensome.

There is no doubt that lowering insulin prices is an urgent priority for the seven million Americans with diabetes who are insulin-dependent. That said, the astronomical price of living with diabetes in the U.S. involves more than just one medication, and thus impacts fully all of the 34 million individuals living with diabetes today. Studies show that for many people with diabetes, the enormous economic burden of insulin is just a fraction of total out-of-pocket spending on health care. In fact, Americans living with diabetes also spend large sums on diabetes management devices and supplies they need to safely manage their condition.³ Like diabetes drugs, the devices and supplies that people with diabetes require have seen steady and substantial price increases in recent years, outpacing both inflation and cost hikes for drugs used for other indications.⁴

The soaring cost of living with diabetes not only makes the condition harder to manage medically, but also often forces patients to choose between obtaining life-sustaining medications, supplies and devices on the one hand and meeting their other basic needs – like housing and food – on the other. Since the COVID-19 pandemic began, nearly one in five people with diabetes report being forced to choose between buying food and filling their prescriptions, a trend that we expect to continue in the absence of meaningful change.⁵

That is why it is critical that Congress take aggressive action to lower the cost of health care in the U.S. for all people with chronic conditions, and especially for the diabetes community. More specifically, we urge Congress to take 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, to improve accountability in the pharmacy benefit manager (PBM) market, and to ensure that middleman rebates are being shared with and otherwise directly benefiting *patients*;
- 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;

“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 Kao-Ping Chua, Joyce M. Lee, and Rena M. Conti, “Out-of-Pocket Spending for Insulin, Diabetes-Related Supplies, and Other Health Care Services Among Privately Insured US Patients With Type 1 Diabetes,” *JAMA Internal Medicine* 180, no. 7 (2020): 1012-1014, <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2766588>.

⁴ Nguyen and Mui, “The Staggering True Cost of Diabetes.”

⁵ 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>.

- 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, or worse yet, keep vital therapies economically out of reach for those who need them.

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 will not serve patients if the patients themselves do not participate in these savings – at the pharmacy counter, in their insurance premiums, and in the cost of deductibles. Practical approaches that put patients first should be the primary goal of any effort to make health care 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, and to being a resource to this Subcommittee, supporting your work to reach these urgent objectives.