RESOLUTION 39-19

Title: Reduce Insulin Costs

Introduced by: Annette Mercatante, MD, for the St. Clair County Delegation

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Referred to: Reference Committee D

House Action: **DISAPPROVED**

Whereas, in the United States, the rate of diabetic ketoacidosis remains high in certain subpopulations, the cost of insulin being the main precipitating factor[1], and

Whereas, a study of health spending in the United States between 1996 and 2013 found that diabetes had the highest expenditure of 155 conditions in 2013, at $101.4 billion[2], and

Whereas, for insured adults in the United States, out-of-pocket expenditures for insulin increased significantly by 89 percent between 2000 and 2010[3], and

Whereas, Medicaid reimbursement for insulin on a per-unit basis increased by 7.9 percent per year between 1991 and 2004[4], and

Whereas, on May 30, 2014, the price of insulin glargine was increased by 16.1 percent by Sanofi and the next day, Novo Nordisk increased the price of insulin detemir by 16.1 percent, and

Whereas, the pattern repeated itself six months later and this has actually happened 13 times for these two products with total sales of $11 billion[5], and

Whereas, currently, a prescription is not required for NPH, R, and 70/30 as these vials are available at Walmart and sold under Reli-on brand with a cost of $25 per vial, and

Whereas, these medications are called human insulins as opposed to the analog insulins (Humalog, Novolog, Apidra) which are more expensive, but potentially more effective, and

Whereas, for patients with Type 1 diabetes, a basal insulin such as Lantus, Tresiba or Toujeo is essential to manage these patients, and

Whereas, it is morally unacceptable that, in this day and age, many people with diabetes are unable to access an innovation (human insulin) developed in 1921; therefore be it

RESOLVED: That MSMS advocate the price of NPH, R, and 70/30 be reduced to $1 per vial for patients who are not able to afford the usual price; and be it further

RESOLVED: That MSMS support and lobby for: (1) the ability of Type 1 diabetics to have access to affordable effective diabetic medications regardless of their health insurance or ability to pay; and, (2) pharmaceutical companies reducing the price of insulin in the United States to be comparable to other high-income countries such as Canada.

WAYS AND MEANS COMMITTEE FISCAL NOTE: $25,000 or more as this resolution requires legislative and/or industry advocacy.

Relevant MSMS Policy:

Pharmaceutical Cost Transparency (pending final approval at 2019 MSMS HOD)
MSMS supports drug price and cost transparency legislation designed to encourage prescription drug price and cost transparency among pharmaceutical companies and pharmacy benefit managers. (Board-July2018)

Relevant AMA Policy:

Insulin Affordability H-110.984
Our AMA will: (1) encourage the Federal Trade Commission (FTC) and the Department of Justice to monitor insulin pricing and market competition and take enforcement actions as appropriate; and (2) support initiatives, including those by national medical specialty societies, that provide physician education regarding the cost-effectiveness of insulin therapies.

Cost of Prescription Drugs H-110.997
Our AMA:
(1) supports programs whose purpose is to contain the rising costs of prescription drugs, provided that the following criteria are satisfied: (a) physicians must have significant input into the development and maintenance of such programs; (b) such programs must encourage optimum prescribing practices and quality of care; (c) all patients must have access to all prescription drugs necessary to treat their illnesses; (d) physicians must have the freedom to prescribe the most appropriate drug(s) and method of delivery for the individual patient; and (e) such programs should promote an environment that will give pharmaceutical manufacturers the incentive for research and development of new and innovative prescription drugs;
(2) reaffirms the freedom of physicians to use either generic or brand name pharmaceuticals in prescribing drugs for their patients and encourages physicians to supplement medical judgments with cost considerations in making these choices;
(3) encourages physicians to stay informed about the availability and therapeutic efficacy of generic drugs and will assist physicians in this regard by regularly publishing a summary list of the patient expiration dates of widely used brand name (innovator) drugs and a list of the availability of generic drug products;
(4) encourages expanded third party coverage of prescription pharmaceuticals as cost effective and necessary medical therapies;
(5) will monitor the ongoing study by Tufts University of the cost of drug development and its relationship to drug pricing as well as other major research efforts in this area and keep the AMA House of Delegates informed about the findings of these studies;
(6) encourages physicians to consider prescribing the least expensive drug product (brand name or FDA A-rated generic); and
(7) encourages all physicians to become familiar with the price in their community of the medications they prescribe and to consider this along with the therapeutic benefits of the medications they select for their patients.

Pharmaceutical Costs H-110.987
1. Our AMA encourages Federal Trade Commission (FTC) actions to limit anticompetitive behavior by pharmaceutical companies attempting to reduce competition from generic manufacturers through manipulation of patent protections and abuse of regulatory exclusivity incentives.
2. Our AMA encourages Congress, the FTC and the Department of Health and Human Services to monitor and evaluate the utilization and impact of controlled distribution channels for prescription pharmaceuticals on patient access and market competition.
3. Our AMA will monitor the impact of mergers and acquisitions in the pharmaceutical industry.
4. Our AMA will continue to monitor and support an appropriate balance between incentives based on appropriate safeguards for innovation on the one hand and efforts to reduce regulatory and statutory barriers to competition as part of the patent system.
5. Our AMA encourages prescription drug price and cost transparency among pharmaceutical companies, pharmacy benefit managers and health insurance companies.
6. Our AMA supports legislation to require generic drug manufacturers to pay an additional rebate to state Medicaid programs if the price of a generic drug rises faster than inflation.
7. Our AMA supports legislation to shorten the exclusivity period for biologics.
8. Our AMA will convene a task force of appropriate AMA Councils, state medical societies and national medical specialty societies to develop principles to guide advocacy and grassroots efforts aimed at addressing pharmaceutical costs and improving patient access and adherence to medically necessary prescription drug regimens.

9. Our AMA will generate an advocacy campaign to engage physicians and patients in local and national advocacy initiatives that bring attention to the rising price of prescription drugs and help to put forward solutions to make prescription drugs more affordable for all patients.
10. Our AMA supports: (a) drug price transparency legislation that requires pharmaceutical manufacturers to provide public notice before increasing the price of any drug (generic, brand, or specialty) by 10% or more each year or per course of treatment and provide justification for the price increase; (b) legislation that authorizes the Attorney General and/or the Federal Trade Commission to take legal action to address price gouging by pharmaceutical manufacturers and increase access to affordable drugs for patients; and (c) the expedited review of generic drug applications and prioritizing review of such applications when there is a drug shortage, no available comparable generic drug, or a price increase of 10% or more each year or per course of treatment.
11. Our AMA advocates for policies that prohibit price gouging on prescription medications when there are no justifiable factors or data to support the price increase.
12. Our AMA will provide assistance upon request to state medical associations in support of state legislative and regulatory efforts addressing drug price and cost transparency.

Controlling the Skyrocketing Costs of Generic Prescription Drugs H-110.988
1. Our American Medical Association will work collaboratively with relevant federal and state agencies, policymakers and key stakeholders (e.g., the U.S. Food and Drug Administration, the U.S. Federal Trade Commission, and the Generic Pharmaceutical Association) to identify and promote adoption of policies to address the already high and escalating costs of generic prescription drugs.
2. Our AMA will advocate with interested parties to support legislation to ensure fair and appropriate pricing of generic medications, and educate Congress about the adverse impact of generic prescription drug price increases on the health of our patients.
3. Our AMA encourages the development of methods that increase choice and competition in the development and pricing of generic prescription drugs.
4. Our AMA supports measures that increase price transparency for generic prescription drugs.

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[1] Diabetes Care Volume 41, June 2018
[2] Dieleman JL, Baral R, Birger M, et al. US spending on personal health care and public health, 1996-2013. JAMA 2016;316:2627-2646
[3] Lipska KJ, Ross JS, Van Houten HK, Beran D Yudkin JS, Shah ND. Use and out-of-pocket costs of insulin for type 2 diabetes mellitus from 2000 through 2010. JAMA 2014;311:2331-2333
[4] Luo J, Avorn J, Kesselheim AS. Trends in Medicaid reimbursements for insulin from1991 through 2014. JAMA Intern Med 2015;175:1681-1686
[5] Bloomberg Business, May 2015