

## Legislative Principles: Insulin

Pharmacy benefit managers (PBMs) administer prescription drug benefits for more than 270 million Americans—many of whom are adults living with diabetes. Through market-based innovation, PBMs drive down the costs of prescription drugs and offer health insurers and employers solutions to ensure affordable, predictable access to insulin for their members. PBMs have developed market-based solutions to promote a better functioning insulin market by unleashing greater competition and innovation, driving down costs, focusing on better value for patients, and increasing transparency and accountability for high prices.

### Principle 1: Greater competition is key to reducing prices.

**PCMA supports policies that increase competition, reduce barriers to competition, and build on market tools both in government programs and private health insurance.** The most important barrier to lower cost insulin products is the lack of competition. Insulins are unique in that brand insulins have almost no generic or biosimilar competition. Insulin manufacturers shield their products from significant competition by extending long-expired patent protections through the patenting of new delivery devices and other anticompetitive practices, enabling them to continue to raise prices. Essential to lowering prices is increasing competition.

### Principle 2: Out-of-pocket costs should be affordable and predictable.

**PCMA supports policies that promote market-based innovation to ensure patients can get the lowest-cost option for their insulin therapy and related supplies.** PBMs have introduced numerous consumer-focused offerings to help patients living with diabetes afford their medications and improve health outcomes. For example, some have introduced programs to improve affordability and predictability of insulin costs, including through private-sector partnerships with employers and health insurers to reduce or eliminate out-of-pocket costs. Contrary to such market-based innovation, broad co-pay caps disincentivize insulin and other pharmaceutical manufacturers from offering a lower price or a rebate, which has the effect of increasing overall costs.

### Principle 3: The best way to ensure lower costs for patients is through proven, private sector tools—not government mandates.

**PCMA supports the efforts of private-sector negotiation and innovation on behalf of public programs and private health insurance.** We oppose legislative efforts that would undermine market-based approaches to the negotiation of discounts for prescription drugs, interfere with evidence-based management tools, or discourage innovation in value-based contracting and pharmacy care coordination.

### Principle 4: Solutions to address the high and rising price of insulin should not be a windfall to manufacturers.

**PCMA supports policies that hold insulin manufacturers accountable for their prices.** Study after study has continued to find large annual increases in the list prices of insulin. We also believe efforts that promote affordability for patients should neither encourage higher list prices nor discourage patient access to lower cost, safe, and effective alternative therapies.

### Principle 5: Solutions should not raise costs for taxpayers, employers, small businesses, and consumers.

**PCMA supports policies that address the root cause of high and rising insulin prices: lack of competition.** We oppose policies that raise costs for taxpayers, employers, and small businesses, including in the form of higher premiums or government spending on Medicare, *without* addressing the anticompetitive practices that enable ever-higher insulin prices.