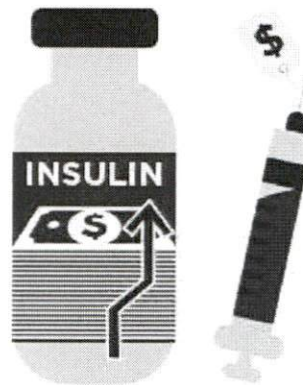


HB18-1009 – Insulin Pricing Transparency Act of 2018

Sponsors: Rep. Roberts

**STAND
UP FOR
AFFORDABLE
INSULIN**



Purpose:

- This bill (with proposed amendments L.002 and L.004) will increase the transparency of insulin costs by requiring additional disclosure of pricing and revenue information by pharmaceutical drug companies, pharmacy benefit managers (PBMs), insurers, and non-profits. This bill is not a price-control measure. This bill is a transparency measure.

Background:

- Nearly 420,000 Coloradans, nearly 10%, have diabetes. An additional 1.3 million more have pre-diabetes, and 15-30% of those will be diagnosed with type 2 diabetes in 5 years.
- There are 20,000 Coloradans diagnosed with diabetes each year and every person with Type 1 Diabetes and many with Type 2 Diabetes rely on daily doses of exogenous insulin to survive.
- Over the past 20 years, all three U.S. insulin manufacturers have increased list prices on insulin by over 1,200%.
 - Humalog, for example, has soared from **\$21 a vial in 1996 to \$278 in 2017**; a 1,223% increase (700% when inflation is taken into account). The price of Novolog, the competitor insulin to Humalog, has increased by an identical percentage since its release in 2000, the two manufacturers often increasing insulin prices by the exact same amount on the exact same day.

Specifics of the Bill:

- This bill requires the State Board of Health (Board) to create a list of prescription drugs that the Board determines to be essential for treating diabetes in Colorado. Drugs include all forms of insulin available in Colorado.
- This bill also requires the Board to create a “diabetes drug reporting form” to be completed by drug manufacturers, pharmacy benefit managers, insurers, and nonprofits and submitted back to the Board for posting on their website.
 - The form requirements for **drug manufacturers** include insulin production costs, annual profits from insulin, rebate and financial assistance, and records showing increases in wholesale costs over the past five years, among others.
 - The form requirements for **pharmacy managers** include negotiated rebates for insulin and total amount of rebates provided for insulin, and specifically for Medicare recipients, Medicaid recipients, and private health insurance plans.
 - The form requirements for **insurers** include the percentage of total premiums charged to Coloradans from the previous year and the estimates for the following year of covered insulin; annual increase or decrease in insurer insulin costs; annual and monthly enrollee insulin costs; statement containing certain information from PBMs about rebates and discounts; statement describing enrollee cost sharing adjustments; administrative fees paid to PBMs in relation to insulin costs; and the average amount each enrollee pays for insulin.
 - The form requirements for **nonprofit organizations** include the total amount and percentage of total gross income attributable to the payment, donation, subsidy, or thing of value.
- The Board has the ability to fine drug manufacturers who fail to submit the required information for up to \$10,000 per day until the information is submitted.

Support: American Diabetes Association, United HERE Health, Colorado Nurses Association, Colorado Consumer Health Initiative, Patients for Affordable Drugs.