THE CASE OF LIFE-SAVING INSULIN PRICES

Tens of millions of American with diabetes rely on insulin to stay alive. But when it comes to prescription medications like insulin, pharmacy benefit managers – or PBMs – put a particularly difficult strain on patients and other purchasers of medication. While the Inflation Reduction Act did include an out-of-pocket cap for insulin for Medicare beneficiaries, it’s clear, however, that more must be done to hold PBMs accountable – a conversation that we’ll continue to lead.

Typically, PBMs base patient cost share on the list price of medicines, rather than the net price after rebates have been discounted. To understand this better, let’s take a closer look at the cost of insulin.

A Senate Finance Committee Report on insulin prices found that rebates to PBMs are ultimately not helping patients save on the life-saving medication.

A separate analysis found that the list price of one insulin product increased by 141% despite a 53% decline in net price.

The bipartisan Senate Finance Committee report, Examining the Factors Driving the Rising Cost of a Century Old Drug, stated the following: “As this investigation has shown, the size of rebates for the insulin therapeutic class has risen rapidly, with some PBMs securing rebates as high as 70% in recent years. However, it’s the PBM or health plan who ultimately decide a drug’s formulary placement and the patient’s cost-sharing responsibility.”

PBM accountability project

PBM accountability project
It naturally begs the question:
What are PBMs doing with these savings?

In 2019, PBMs paid as little as $52 per vial while charging some patients as much as $350.

ADDITIONAL RESOURCES

• **PBMA Report**: The full report highlights the many ways PBMs increase their profits and identifies new trends and policy solutions to address the PBM problem.

• The National Consumers League has developed a number of resources that highlight the problem with PBMs, that lead to consumers facing an unfair advantage at the pharmacy counter. [https://nclnet.org/pbms](https://nclnet.org/pbms)

• **USC Schaeffer Study**: The study found that more than half of insulin expenditures are going to PBM middlemen.

• **BRG Report**: The report takes a closer look at the flow of dollars in the pharmaceutical marketplace – demonstrating how the variety of stakeholders and myriad of rebates, discounts, fees, and other payments impact out-of-pocket costs.

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