



To: State Leaders Date: April 17, 2020

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Subject: State Action on Insulin Pricing - MN Passes Alec Smith Insulin Affordability Act

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Insulin is a critical maintenance medication that saves lives. For the more than 30 million Americans living with diabetes, the rising prices of insulin have become increasingly problematic and dangerous. [List prices](#) of insulin have tripled since 2002 and the cost per person [increased by \\$2,841 between 2012 and 2016 to a total of \\$5,705](#) per year. Even with insurance, people must pay hundreds of dollars per month for a medication they need to stay alive. As state leaders continue to act to address the current COVID-19 public health crisis, they are also taking important action related to insulin affordability.

#### **Minnesota Takes Action April 2020**

Advocates like USofCare's Founder's Council member, [Nicole Smith-Holt](#), transformed the public policy debate around insulin affordability by sharing her son Alec's personal experience which resulted in the [Alec Smith Insulin Affordability Act](#) passing in Minnesota this month. In 2017, Alec passed away as a result of rationing his insulin after he was no longer able to remain on his parents' health insurance and was uninsured. A study conducted at a Yale Diabetes Clinic in 2017 found that [25% of patients](#) reported insulin underuse in the last 12 months. Nicole, and other advocates like her, brought into focus what skyrocketing insulin price increases mean for individuals and families and the impact they have on real people's lives.

#### **Impact of COVID-19**

Earlier this year, many [states](#) were poised to take action to pass laws to make insulin more affordable. **There is no more important time for policymakers to ensure their constituents are able to afford their insulin.** With millions of people losing their jobs and often their health insurance as the result of the COVID-19 pandemic, many more people with diabetes will be unable to pay the [average \\$300 to \\$800 monthly insulin cost](#). These same individuals - those who face challenges managing their condition - are at greater risk for [serious complications](#) as a result of COVID-19. Laws to ensure people with diabetes can afford the insulin they need are even more

urgent now, and as many state legislatures return to finish their business for the year, they should take action to make insulin affordable for those in their state who need it.

## **2020 State Action**

Independent of broader prescription drug reform efforts, many states have approached addressing insulin costs in just a handful of ways.

- After two years of work, this month Minnesota lawmakers passed the [Alec Smith Insulin Affordability Act](#) which establishes the Insulin Safety Net Program to **provide up to a 30-day supply of insulin to eligible people on an emergency basis**. Copays are limited to \$35 with some individuals eligible to receive an additional 30-day supply. The bill also establishes a Continuing Safety Net Program which requires manufacturers to create patient assistance programs for eligible individuals to receive insulin for one-year, with renewable availability, with no cost to the pharmacy or individual. The program will begin July 1, 2020.
- [Colorado](#) became the **first state to cap monthly insulin costs for people on some types of insurance plans**, passing legislation last year. So far Colorado consumers have not seen an [impact to their premiums](#) since the law went into effect January 1, 2020. However, the bill author was seeking to amend the language after the Department of Insurance determined the law restricted the cost per prescription rather than total monthly cost of insulin.
- At least seven states have followed Colorado's lead, passing laws **capping monthly insulin prices for consumers with health insurance**. The maximum copay for a 30-day supply varies by state ranging from \$25 in [New Mexico](#) to \$100 in [Illinois](#), [Washington](#), [New York](#), and [West Virginia](#). [Utah](#)'s law included a \$30 cap on copays and also allows pharmacists to refill expired prescriptions on an emergency basis.
- Last year Minnesota [passed a law](#) to **require insurers to limit consumers out of pocket costs for insulin** to the insurers' negotiated net price. As a result, [several insurance issuers](#) in Minnesota have made insulin available at either no cost or are limiting out of pocket insulin costs to \$25 per month for people covered by certain plans.
- In addition to passing an insulin cap this year, Washington also [established a workgroup to study ways to reduce the cost of and total expenditures on insulin for patients, health carriers, payers and the state](#). Some of the strategies the group will consider include a state agency becoming a licensed drug wholesaler or registered pharmacy benefit manager; and a state agency purchasing prescription drugs on behalf of the state. The preliminary report is due by December 1, 2020 and the final report is due July 1, 2021.

With as many as half of the states either still in session or [planning to return for regular or special sessions](#), there is time remaining for states to tackle laws to lower insulin costs for consumers.