

# MARYLAND STATE ADVISORY COUNCIL ON HEALTH AND WELLNESS

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March 3, 2022

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The Honorable Shane E. Pendergrass  
Chair, House Health and Government Operations Committee  
Room 241, House Office Building  
Annapolis, MD, 21401

RE: HB 1355 - Health Insurance - Prescription Insulin Drugs - Limits on Copayment and Coinsurance

Dear Chair Pendergrass and Committee Members:

The Maryland State Advisory Council on Health and Wellness (the Council) is submitting this letter of support for House Bill 1355 (HB 1355), titled "Health Insurance - Prescription Insulin Drugs - Limits on Copayment and Coinsurance." HB 1355 requires certain insurers, nonprofit health service plans, and health maintenance organizations to limit the amount a covered individual is required to pay in copayments or coinsurance for a covered prescription insulin drug to \$30 for a 30-day supply of the drug.

The Council supports HB 1355 as it seeks to promote health and prevent disease by limiting the cost of insulin products, ensuring people with diabetes can afford their medication and avoid both short- and long-term health consequences.

Over 10 percent of Marylanders have been told by a health care provider they have diabetes.<sup>1</sup> In 2017, diabetes was the sixth leading cause of death among all Maryland residents and the fifth leading cause of death among black Maryland residents.<sup>2,3</sup> In addition to the health and lifestyle complications associated with the disease, diabetes is also a major risk factor for developing cardiovascular disease, the number one cause of death both in Maryland and nationwide.<sup>4</sup>

Medical expenses for people with diabetes are more than twice that of those who do not have diabetes. In 2017 alone, diabetes and associated complications accounted for \$4.9 billion in direct medical expenses in Maryland.<sup>5</sup> People with Type 1 diabetes spent an average of \$5,705 per year on insulin in 2016, nearly double the amount spent in 2012.<sup>6</sup> High out-of-pocket costs for insulin can present a significant barrier to medication compliance. Inability to adhere to medication and treatment plans can increase the risk for costly diabetes related emergency department visits and hospitalizations.

<sup>1</sup> Maryland Behavioral Risk Factor Surveillance System (2020). <https://nccd.cdc.gov/BRFSSPrevalence/>.

<sup>2</sup> National Center for Health Statistics (2019). <https://www.cdc.gov/nchs/pressroom/states/maryland/md.htm>, retrieved 26 January 2022.

<sup>3</sup> Maryland Department of Health, Vital Statistics Administration (2020). Maryland Vital Statistics Annual Report 2019.

<https://health.maryland.gov/vsa/Documents/Reports%20and%20Data/Annual%20Reports/2019Annual.pdf>.

<sup>4</sup> U.S. Department of Health and Human Services (2021). Mortality in the United States, 2020. <https://www.cdc.gov/nchs/data/databriefs/db427.pdf>.

<sup>5</sup> American Diabetes Association (2021). The Burden of Diabetes in Maryland.

[https://diabetes.org/sites/default/files/2021-11/ADV\\_2021\\_State\\_Fact\\_sheets\\_Maryland\\_rev.pdf](https://diabetes.org/sites/default/files/2021-11/ADV_2021_State_Fact_sheets_Maryland_rev.pdf).

<sup>6</sup> Health Care Cost Institute (2019). Spending on Individuals with Type 1 Diabetes and the Role of Rapidly Increasing Insulin Prices.

<https://healthcostinstitute.org/diabetes-and-insulin/spending-on-individuals-with-type-1-diabetes-and-the-role-of-rapidly-increasing-insulin-prices>.

The Council agrees with the following statements as they relate to the passage of HB 1355:

- When patients are unable to afford their medications, they may ration their supplies to last longer or may stop taking the medication altogether.
- Patients who are not able to take the insulin they need are at greater risk for both acute and chronic diabetes complications, as well as high levels of emergency department utilization.
- List prices for insulin have risen severely in recent years. Between 2002 and 2016, the average price of insulin increased nearly six-fold.<sup>6</sup>
- People with high cost-sharing are less adherent to recommended dosing, which results in short- and long-term harm to their health.<sup>7</sup>
- Achieving glycemic control and controlling cardiovascular risk factors reduces diabetes complications, comorbidities, and mortality.<sup>7</sup>
- All people with diabetes should have access to high-quality, low-cost insulin.

The Council submitted a Letter of Support for a similar bill, Senate Bill 353 (SB 353), earlier in the legislative session. While the out-of-pocket limits in HB 1355 are the same as those called for in SB 353, HB 1355 goes further by requiring the Prescription Drug Affordability Board to conduct a cost review to determine the effects of prescription insulin pricing on affordability for patients and health systems. The Council strongly supports this provision and encourages the Prescription Drug Affordability Board to explore additional options to lower insulin prices, including non-profit manufacturing, rebate transparency, and easier pathways to approval for biologically similar products.<sup>8,9</sup>

The Council respectfully urges this Committee to approve HB 1355 as a meaningful step to reduce the financial burden for people living with diabetes in Maryland. Ensuring affordable out-of-pocket costs for people who use insulin could significantly increase adherence to treatment plans, improve diabetes management, reduce diabetes complications and mortality, and promote overall health for a lifetime.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Kiel". The signature is written in black ink and is positioned to the left of the typed name below.

Jessica Kiel, M.S., R.D., Chair, State Advisory Council on Health and Wellness

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<sup>7</sup> Cefalu, William T, Insulin Access and Affordability Working Group: Conclusions and Recommendations, *Diabetes Care* 2018 Jun; 41(6): 1299-1311.

<sup>8</sup> Power to the Diabetics: Non-profit Production at the Open Insulin Project. *Berkeley Economic Review* (2020). <https://econreview.berkeley.edu/power-to-the-diabetics-non-profit-production-at-the-open-insulin-project/>.

<sup>9</sup> Insulin Prices and Pharmacy Benefit Manager Rebates: Pin the tail on the patient. *STAT* (2020). <https://www.statnews.com/2020/03/19/insulin-prices-pbm-rebates/>.