



Kerry Donovan <kerrydonovansenatebulk@gmail.com>

Hearing on Senate Bill #1009 for Insulin Pricing Transparency

Betsy Ray <betsyray@diabetesactivist.org>

Tue, May 1, 2018 at 11:39 PM

To: "kerry.donovan.senate@state.co.us" <kerry.donovan.senate@state.co.us>

Dear Senator Donavon,

My name is Betsy Ray. I'm writing to you due to inability to attend tomorrow's hearing. As a constituent I request that you vote yes to pass Bill #1009 for Insulin Pricing Transparency.

I am a U.S. Representative of the International Diabetes Federation, a Type 1 Diabetic of 53 years and the parent of a Type 1 Diabetic of 20 years. As a member of the 2nd generation of people to survive on insulin I have experienced the entirety of the history of Diabetes treatment.

Current aggressive lockstep escalating prices of insulin while they may be impacted in some small ways by the ACA, originate in a combination of factors including but not limited to:

1. The history of insulin itself (1927-2018),
2. Pharmaceutical company pricing monopolies
3. Pharmacy Benefit Managers being paid with the gap between point of sale price (retail) and real price (not disclosed to public but in many cases 1/5 of retail) to buy positions on insurance formularies while receiving incentives to do so (rebates+gap).

None of the benefits of savings between retail and real price or rebates are being realized by the people who take these drugs for survival.

The price increases have occurred historically when;

1. Government Policy regarding Corporations has changed to benefit business,
2. Patents have been manipulated to maintain "brand" monopoly as well as pricing collusion to maintain further monopoly and,
3. Laws have been passed that do not benefit corporate interests.

Those of us who have lived long enough to have a historical background with Diabetes saw these changes coming long before the ACA or Obamacare took effect and we feel it important that we not be used as a lever to undermine those programs as it will deflect away from solving the real issues of out of control pricing for a cheap product that has changed little in 50 years. What has been occurring in the Diabetes drug environment since 1980 has become an act of domestic terrorism towards the people of the United States who have Diabetes and their families. At normal rates of increase and inflation the price at POS for a bottle of insulin should be about \$120-\$140 USD not \$374 - \$670.

***Please refer to diagrams attachment for more information.

The net price is the real price for product and the list price is what we pay at point of sale. Between these two amounts are the PDM "incentives" for tier status on formularies and incentive for success in obtaining status. The public justification for increases have been R&D and better product... but we have realized very little actual improvement of efficacy or quality of product in 50 years. This does not explain lockstep increases where there should be competitive decreases.

This request for a yes vote on Senate Bill 1009 is only the beginning and we as your constituents need your help to open the door to continued understanding.

Respectfully,

Betsy Ray

Founder | Executive Director Diabetes Activist – Meta T1D
U.S. Representative - International Diabetes Federation
Presenter - TEDx Vail 2017
Delegate - DiabetesMine Innovation Summit, Stanford University
c: 720-298-4209 MST

Type 1 Diabetes (53 years)

- Parent of a child with Type 1 Diabetes (20 years)

Lifetime Member - Guild of The Children's Diabetes Foundation (CDF) Colorado

Co-Host - The Bonnie Sher Show

Guest Blog Author - DiabetesMine | Healthline.com Eli Lilly Journey Award 50 year Silver Medalist

Joslin 50 year Medalist

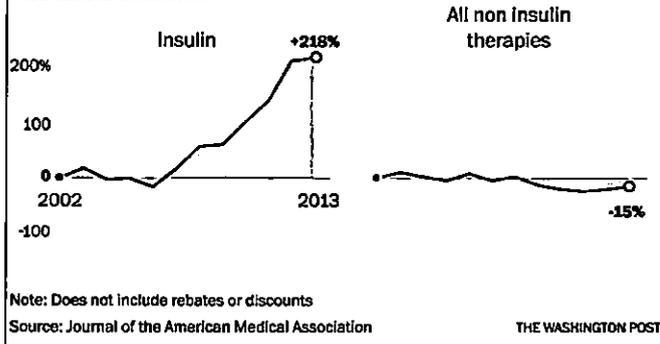
Founding Grand National Champion "Inspired by Diabetes" Competition

Owner Belvedere Belgian Chocolates, Cherry Creek North, Colorado

 insulin pricing.pptx
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Spending on Insulin has increased faster than other diabetes drugs

Spending on insulin per patient has skyrocketed, driven by price hikes and increased use. In 2013, insulin spending was more than all other diabetes medications combined.



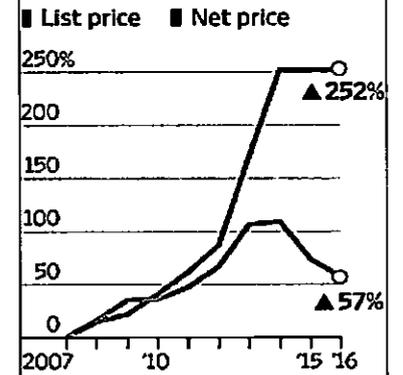
The net price is the real price for product and the list price is what we pay at point of sale. Between these two amounts are the PDM payout to bribe formularies for tier status and incentive for success in bribing.



Pricing Pressure

As the list price for Sanofi's Lantus Insulin has soared, the net price has risen much more modestly.

Percentage change since 2007



Sources: Truven Health Analytics (list prices) and Bernstein (net price estimates)
THE WALL STREET JOURNAL.

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Rebates and Discounts are not realized by consumer but by PDM's and insurance.

