

# Improving Access and Affordability of Insulin and Diabetic Supplies

## POLICY SNAPSHOT

Over 37 million Americans live with diabetes and an additional 1.4 million are diagnosed every year. Diabetes is a condition where the body does not produce or properly use insulin.

Insulin—a hormone secreted by the pancreas—is necessary to convert sugar, starches and other foods into energy. There are three common types of diabetes: type 1, type 2 and gestational.

When the body is unable to produce insulin, or it doesn't make enough insulin, serious complications such as heart disease, vision loss and kidney disease can occur. For people living with type 1 diabetes, insulin prevents ketoacidosis which can result in coma or death.

Approximately 28% of people living with diabetes use insulin to manage their condition. Insulin was discovered in 1921 and the patent was sold two years later for a dollar. Since then, drug companies have developed a wide array of insulin products that vary by dosage, methods of delivery and other characteristics. New products received additional patents stretching over 90 years.

However, these recent advancements in insulin development have been accompanied by rising prices. According to the Commonwealth Fund, the price for insulin increased, on average, 15% to 17% per year since 2012. For patients with insurance, the prices of drugs often affect their out-of-pocket costs, typically in the form of health insurance copayments (a flat fee) or coinsurance (a percentage). Patients with no health insurance, or with less robust coverage, are responsible for paying the full or majority of the cost.

In addition to insulin, people living with diabetes require certain products to administer insulin as well as monitor their blood glucose levels. These include syringes, needles, continuous glucose monitors (CGMs), insulin pumps, test strips and lancets. Studies show over 56% of people with type 1 use both an insulin pump and a CGM and that these necessary technologies can add to their cost burden. Other research shows that testing supplies account for 27% of overall pharmacy costs for people living with diabetes.



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Diabetes is best managed through insulin and related supplies, but many patients are unable to afford these products. In response, states are considering a wide range of policy options to address these issues.

## State Policy Options

State legislators may consider the following options, among others, related to improving access and affordability of insulin and diabetic supplies:

- Implement copayment limitations on insulin products.
- Establish a patient assistance or emergency access program.
- Require insurance coverage for equipment and supplies.
- Increase transparency into insulin price and cost.
- Encourage competition in the insulin market.

POLICY OPTIONS	STATE EXAMPLES
<p><b>Implement copayment limitations on insulin products.</b> Copayment limitations may be implemented in state-regulated plans such as state employee plans, Medicaid and plans sold on the individual market. This option <a href="#">does not affect</a> those enrolled in self-funded employer sponsored health plans, which cover over <a href="#">65% of individuals</a> who receive insurance through their employer. Furthermore, it does not help people without insurance.</p>	<p>At least <a href="#">19 states</a> implemented some type of monthly copayment cap for insulin. For example, <a href="#">Alabama</a> capped monthly copayments for a 30-day supply of insulin at \$100. <a href="#">Kentucky</a> capped copayments to \$30 for a 30-day supply.</p>
<p><b>Establish a patient assistance or emergency access program.</b> People might need an emergency supply of insulin for many reasons. While some might need a one-time supply, others might need refills on a more regular basis.</p>	<p><a href="#">Minnesota</a> established a state run patient assistance program for eligible individuals funded by manufacturers. The law also established a program for anyone needing insulin to receive an emergency 30-day supply.</p> <p><a href="#">Indiana</a> repealed a law requiring that a person must have a prescription to receive insulin.</p>
<p><b>Require coverage for equipment and supplies.</b> In addition to insulin, people living with diabetes require certain supplies and equipment to manage their condition.</p>	<p><a href="#">Delaware</a> mandates coverage of insulin pumps at no cost to the consumer, including annual deductibles and cost-sharing amounts.</p> <p><a href="#">West Virginia</a> requires coverage for diabetic equipment, including blood glucose monitors and other types of monitoring supplies, injection aids, infusion devices, syringes and orthotics.</p>
<p><b>Increase transparency into insulin price and cost.</b> Several states have implemented legislation requiring transparency across the supply chain.</p>	<p>A 2019 law in <a href="#">Colorado</a> allowed the attorney general's office to study insulin prices in the state.</p> <p>Since 2017, <a href="#">Nevada</a> requires yearly reporting from manufacturers, pharmacy benefit managers and health plans on essential diabetes medications.</p> <p><a href="#">Utah</a> requires health plans to annually report the 25 prescription drug products on which health insurers spent the most. In 2021, insulin was <a href="#">reported</a> to be one such product.</p>
<p><b>Increase competition in the insulin market.</b> States have considered several strategies to encourage competition in the prescription drug market broadly.</p> <p>Approved in 2021, the first interchangeable <a href="#">biosimilar</a> insulin is now available, meaning it can be substituted for its brand name equivalent.</p>	<p>All <a href="#">50 states, Washington, D.C. and Puerto Rico</a> have <a href="#">laws</a> addressing the substitution of biosimilars. Just as state generic drug substitution laws vary from state to state, so do laws regarding biosimilar substitution. At least 10 states allow biosimilar substitution when the product is FDA-approved as interchangeable.</p> <p><a href="#">California</a> is entering into partnerships with drugmakers to produce generic drugs and at least one form of insulin.</p>

## Federal Action

Leaders from both parties in Congress have expressed particular interest in the accessibility and affordability of insulin. The bipartisan Congressional Diabetes Caucus conducted the first [study](#) of the insulin market in 2017. The Caucus's concluding report outlined 11 policy recommendations for Congressional and regulatory agencies to consider.

In 2019, the Senate Finance committee conducted a subsequent two-year [inquiry](#). Although no specific policies were suggested, the committee reported it will continue to prioritize insulin access and affordability.

## Additional Resources

- [How Two States Took on the Cost of Insulin](#) (NCSL)
- [Prescription Drug Policy: A Bipartisan Remedy](#) (NCSL)
- [Prescription Drug State Bill Tracking Database](#) (NCSL)

*Please note that NCSL takes no position on state legislation or laws mentioned in linked material, nor does NCSL endorse any third-party publications; resources are cited for informational purposes only.*

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