

United States Senate

WASHINGTON, DC 20510

November 26, 2019

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

The American people are clamoring for immediate action on the high cost of prescription drugs, which is a strong priority of your Administration and for Congress. As co-chairs of the Senate Diabetes Caucus, we have been focused on ways to make insulin more affordable. We write to call your attention to legislation that we have authored, the *Insulin Price Reduction Act*, which would provide much needed relief for millions of Americans with diabetes who struggle with the skyrocketing cost of insulin. We believe that this legislation, which is endorsed by the American Diabetes Association (ADA) and the Juvenile Diabetes Research Foundation (JDRF), is consistent with your Administration's proposed efforts to address the impact that pharmacy benefit manager (PBM) rebates have in driving up list prices for medications.

More than seven million Americans use insulin as part of their daily treatment, and virtually all of those with Type 1 diabetes rely on it for survival. Regrettably, insulin is one of the most prominent examples of the runaway cost of many prescription drugs. In the past decade alone, the price of insulin has risen by more than 240 percent. This is particularly shocking, given the fact that insulin was first discovered in 1921 and its patents were sold to the University of Toronto for \$1.00. Dr. Frederick Banting reportedly said at the time, "insulin belongs to the world, not to me."

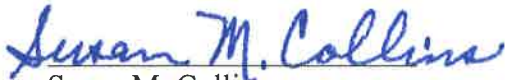
Almost a century later we are hearing heartbreaking stories about patients who struggle to pay for insulin, including patients who have tragically died after rationing doses or going without. This should never happen in a country like ours. Over the past two years, we have questioned pharmaceutical manufacturers, insurers, and PBMs on their roles in fueling higher prices. At a 2018 Aging Committee hearing, the ADA testified that pharmaceutical "rebates" have helped drive increases in list prices for insulin. The higher list prices for insulin have damaging consequences for uninsured patients and individuals in high-deductible plans, who frequently have to pay the full list price of the insulin at the pharmacy counter.

The *Insulin Price Reduction Act* removes the perverse incentives that rebates create for higher list prices for insulin. For the most popular insulins, this would result in more than a 75 percent decrease in prices compared to what we can expect to see in 2020. These rebate restrictions would apply in Medicare and the private insurance market. Private insurance plans would also be required to waive the deductible for insulin products that met the list price reduction criteria.

Together, these two changes would save patients with diabetes hundreds or thousands of dollars per year in pharmacy costs, while rolling back more than a decade of insulin price hikes. As

Congress and your Administration try to come together to find common ground on a much-needed package of reforms to lower health care and prescription drug costs, we look forward to working with you on bipartisan solutions that will lower the price of insulin and improve the lives of Americans living with diabetes.

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Collins". The signature is fluid and cursive, with the first name "Susan" being the most prominent.

Susan M. Collins
United States Senator

A handwritten signature in blue ink that reads "Jeanne Shaheen". The signature is fluid and cursive, with the first name "Jeanne" being the most prominent.

Jeanne Shaheen
United States Senator

Cc: Secretary of Health and Human Services Alex Azar

Enclosure