2023 SENATE HUMAN SERVICES

SB 2140

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

SB 2140
1/11/2023

Relating to accident and health insurance coverage of diabetes drugs and supplies; relating to public employees self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.

10:18 AM **Madam Chair Lee** called the hearing to order**. Senators Lee, Cleary, Clemens, K. Roers, Weston, Hogan** were present.

Discussion Topics:

- Insulin cap
- Self-insurance plan
- Co-pay, co-insurance

10:19 AM **Senator Tim Mathern District 11** introduced SB 2140 and provided verbal testimony in favor. #12893

10:24 AM **Senator Dick Dever District 32** verbally testified in favor.

10:30 AM **Angela Kritzberger, Diabetes Advocate and parent of a child with diabetes representing self and family,** testified in favor. #12804

10:36 AM **Danelle Johnson, parent of child with diabetes representing self and family,** provided online testimony in favor. #12855

10:46 AM **Dylan Wheeler, Head of Governmental Affairs at Sanford Health** verbally testified in opposition.

10:51 AM **Megan Houn, Vice President Governmental Affairs and Public Policy Blue Cross Blue Shield ND** verbally testified in opposition.

10:56 AM **Andrea Pfenning, Greater ND Chamber of Commerce,** testified in opposition. #12900

10:58 AM **Scott Miller, Executive Director for ND Public Employees Retirement System** testified as neutral. #12802

11:06 AM **Chrystal Bartuska, Director Life/Health/Medicare Division, ND Insurance Department,** verbally testified as neutral.

Additional written testimony:
Amanda Dahl, Pediatric Endocrinologist and living with type 1 diabetes, in favor #12712
Andrea Hogstad, diabetes nurse and husband has Type 1 diabetes mellitus, in favor #12753
Donene Feist, Director for Family Voices of North Dakota, in favor #12754
Carissa Kemp, on behalf of American Diabetes Association in favor #12766
Brenda Stallman, Administrator of Traill County Health Unit, in favor #12784
Gwen Sobolik, mother of child with Type 1 Diabetes, in favor #12830
Janelle Moos, Advocacy Director of Advocacy, AARP North Dakota in favor #12832
Dr. Eric Johnson in favor #12833
Heidi Abler, mother of child with Type 1 Diabetes, in favor #12838
Dylan Abler, father of child with Type 1 Diabetes, in favor #12841
Carlye Gast in favor #12843
Melanie Nygord in favor #12844
Amber Stockeland, mother of child with Type 1 Diabetes, in favor #12852
Peggy Hanson, mother of child with Type 1 Diabetes, in favor #12861
Cara Mund in favor #12865
Katie Paulson, caregiver of child with diabetes, in favor #12882

11:10 AM **Madam Chair Lee** closed the hearing.

Patricia Lahr, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

SB 2140
1/17/2023

Relating to accident and health insurance coverage of diabetes drugs and supplies; relating to public employee's self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.

2:58 PM **Madam Chair Lee** called the committee meeting to order. **Senators Lee, Cleary, Clemens, K. Roers, Weston, Hogan** were present.

Discussion topics:

- Supplies
- Chronic diseases
- Glucose monitors

2:58 PM **Senator Mathern** provided information and reviewed amendments that were handed by **Senator Hogan.** 23.0532.01001 #13920, #13925

3:06 PM **Megan Huon, Vice President of Public Policy and Government Affairs Blue Cross Blue Shield of North Dakota,** provided information verbally.

Additional Testimony:
Chrystal Bartuska, Division Director, Life/Health/Medicare, #13934.

3:14 PM **Madam Chair Lee** closed the meeting.

Patricia Lahr, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

SB 2140
1/31/2023

Relating to accident and health insurance coverage of diabetes drugs and supplies; relating to public employees self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.

2:51 PM **Madam Chair Lee** called the committee meeting to order. **Senators Lee, Cleary, Clemens, K. Roers, Weston, Hogan** were present.

Discussion topics:

- Supplies
- Carrier cap limits
- Formulary

Senator Weston makes a motion **DO NOT PASS.**
Senator K. Roers seconded.

Senator Weston withdraws motion.
Senator K. Roers withdraws second.

Senator Hogan makes moved the Amendment LC #23.0532.01001 with two corrections changing prescribed to covered and adding in the two year PERS study. #13920
Senator Cleary seconded.

Roll call vote.

Senators	Vote
Senator Judy Lee	Y
Senator Sean Cleary	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Kent Weston	Y

Motion Passed 6-0-0.

Senator K. Roers made motion **DO NOT PASS** as **AMENDED and REREFER** to **APROPRIATIONS**
Senator Weston seconded.

Roll call vote.

Senators	Vote
Senator Judy Lee	Y
Senator Sean Cleary	N
Senator David A. Clemens	Y
Senator Kathy Hogan	N
Senator Kristin Roers	Y
Senator Kent Weston	Y

Motion Passed 4-2-0.

Senator K. Roers will carry SB 2140.

Additional Testimony:
Carissa Kemp, Director, State Government Affairs, American Diabetes Association in favor #18686
Jennifer Clark, Code Revisor, Legislative Council in neutral #18687
Megan Houn, Vice President, Government Affairs and Public Policy, Blue Cross Blue Shield of North Dakota in neutral #18689
Rebecca Fricke, Chief Benefits Officer, North Dakota Public Retirement System in neutral #18690

3:06 PM **Madam Chair Lee** closed the meeting.

Patricia Lahr, Committee Clerk

Prepared by the Legislative Council staff for
the Senate Human Services Committee
February 3, 2023

BC
1/3
2.6.2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2140

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to public employee insulin drug and supplies benefits; to amend and reenact subsection 2 of section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 26.1-36.6-03 of the North Dakota Century Code is amended and reenacted as follows:

2. The following health benefit provisions applicable to a group accident and health insurance policy under chapter 26.1-36 apply to a self-insurance health plan and are subject to the jurisdiction of the commissioner: sections 26.1-36-06, 26.1-36-06.1, 26.1-36-07, 26.1-36-08, 26.1-36-08.1, 26.1-36-09, 26.1-36-09.1, 26.1-36-09.2, 26.1-36-09.3, 26.1-36-09.5, 26.1-36-09.6, 26.1-36-09.7, 26.1-36-09.8, 26.1-36-09.9, 26.1-36-09.10, 26.1-36-09.11, 26.1-36-09.12, 26.1-36-09.13, 26.1-36-09.14, 26.1-36-09.15, 26.1-36-11, 26.1-36-12.2, 26.1-36-20, 26.1-36-21, 26.1-36-22, 26.1-36-23.1, and 26.1-36-43. Section 2 of this Act applies to a self-insurance health plan and is subject to the jurisdiction of the commissioner.

SECTION 2. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Health insurance benefits coverage - Insulin drug and supply out-of-pocket limitations.

1. As used in this section:

   a. "Insulin drug" means a prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:

      (1) Rapid-acting insulin;

      (2) Short-acting insulin;

      (3) Intermediate-acting insulin;

      (4) Long-acting insulin;

      (5) Premixed insulin product;

(6) Premixed insulin/GLP-1 RA product; and

(7) Concentrated human regular insulin.

b. "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:

(1) Blood glucose meters;

(2) Blood glucose test strips;

(3) Lancing devices and lancets;

(4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips;

(5) Glucagon, in injectable and nasal forms;

(6) Insulin pen needles; and

(7) Insulin syringes.

c. "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a covered individual's prescriptions.

2. The board shall provide health insurance benefits coverage that provides for insulin drug and medical supplies for insulin dosing and administration which complies with this section.

3. The coverage must limit out-of-pocket costs for a thirty-day supply of:

a. Covered insulin drugs which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs.

b. Covered medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.

4. The coverage may not allow a pharmacy benefits manager or the pharmacy or distributor to charge, require the pharmacy or distributor to collect, or require a covered individual to make a payment for a covered insulin drug or medical supplies for insulin dosing and administration in an amount that exceeds the out-of-pocket limits set forth under subsection 3.

5. The coverage may not impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount set forth under subsection 3.

6. Subsection 3 does not require the coverage to implement a particular cost-sharing structure and does not prevent the limitation of out-of-pocket costs to less than the amount specified under subsection 3. Subsection 3 does not limit out-of-pocket costs on an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor. This section does not limit whether coverage classifies an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor as a drug or as a medical device or supply.

3 33
2-6-2023

SECTION 3. APPLICATION. This Act applies to public employees retirement system health benefits coverage that begins after June 30, 2023, and which does not extend past June 30, 2025.

SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM - INSULIN DRUG AND SUPPLIES BENEFITS - REPORT. Pursuant to section 54-03-28, the public employees retirement system shall prepare and submit for introduction a bill to the sixty-ninth legislative assembly to repeal the expiration date for this Act and to extend the coverage of insulin drug and supplies benefits to all group and individual health insurance policies. The public employees retirement system shall append a report to the bill regarding the effect of the insulin drug and supplies benefits requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should be continued.

SECTION 5. EXPIRATION DATE. This Act is effective through July 31, 2025, and after that date is ineffective.

SECTION 6. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2140: Human Services Committee (Sen. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** and **BE REREFERRED** to the **Appropriations Committee** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2140 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to public employee insulin drug and supplies benefits; to amend and reenact subsection 2 of section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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SECTION 2. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Health insurance benefits coverage - Insulin drug and supply out-of-pocket limitations.

1. As used in this section:

   a. "Insulin drug" means a prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:

      (1) Rapid-acting insulin;

      (2) Short-acting insulin;

      (3) Intermediate-acting insulin;

      (4) Long-acting insulin;

      (5) Premixed insulin product;

      (6) Premixed insulin/GLP-1 RA product; and

      (7) Concentrated human regular insulin.

b. "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:

(1) Blood glucose meters;

(2) Blood glucose test strips;

(3) Lancing devices and lancets;

(4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips;

(5) Glucagon, in injectable and nasal forms;

(6) Insulin pen needles; and

(7) Insulin syringes.

c. "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a covered individual's prescriptions.

2. The board shall provide health insurance benefits coverage that provides for insulin drug and medical supplies for insulin dosing and administration which complies with this section.

3. The coverage must limit out-of-pocket costs for a thirty-day supply of:

a. Covered insulin drugs which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs.

b. Covered medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.

4. The coverage may not allow a pharmacy benefits manager or the pharmacy or distributor to charge, require the pharmacy or distributor to collect, or require a covered individual to make a payment for a covered insulin drug or medical supplies for insulin dosing and administration in an amount that exceeds the out-of-pocket limits set forth under subsection 3.

5. The coverage may not impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount set forth under subsection 3.

6. Subsection 3 does not require the coverage to implement a particular cost-sharing structure and does not prevent the limitation of out-of-pocket costs to less than the amount specified under subsection 3. Subsection 3 does not limit out-of-pocket costs on an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor. This section does not limit whether coverage classifies an insulin pump, an

electronic insulin-administering smart pen, or a continuous glucose monitor as a drug or as a medical device or supply.

SECTION 3. APPLICATION. This Act applies to public employees retirement system health benefits coverage that begins after June 30, 2023, and which does not extend past June 30, 2025.

SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM - INSULIN DRUG AND SUPPLIES BENEFITS - REPORT. Pursuant to section 54-03-28, the public employees retirement system shall prepare and submit for introduction a bill to the sixty-ninth legislative assembly to repeal the expiration date for this Act and to extend the coverage of insulin drug and supplies benefits to all group and individual health insurance policies. The public employees retirement system shall append a report to the bill regarding the effect of the insulin drug and supplies benefits requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should be continued.

SECTION 5. EXPIRATION DATE. This Act is effective through July 31, 2025, and after that date is ineffective.

SECTION 6. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2023 SENATE APPROPRIATIONS

SB 2140

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2140
2/13/2023

Relating to public employee insulin drug and supplies benefits, relating to self-insurance health plans; to provide for a report; to provide for application.

11:02 AM Chairman Bekkedahl opened the meeting.
Members present: **Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.**

Discussion Topics:

- Co-pay limits
- Committee Action

11:04 AM Senator Mathern verbally introduced the bill.

11:10 AM Senator Davison moved DO PASS
11:10 AM Senator Kreun seconded.

11:14 AM Scott Miller, Executive Director, ND PERS, verbally provided information.

11:24 AM Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	N
Senator Jim P. Roers	Y
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y
Senator Rust	Y

Passed 14-2-0

Senator Dever will carry the bill.
11:25 AM Chairman Bekkedahl closed the meeting.
Peter Gualandri on behalf of Kathleen Hall, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2140, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (14 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2140 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE HUMAN SERVICES

SB 2140

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Pioneer Room, State Capitol

SB 2140
3/7/2023

Relating to public employee insulin drug and supplies benefits.

Chairman Weisz called the meeting to order at 3:10 PM.

Chairman Robin Weisz, Reps. Karen A. Anderson, Mike Beltz, Clayton Fegley, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, Jayme Davis, and Gretchen Dobervich present. Vice Chairman Matthew Ruby not present.

Discussion Topics:

- Cost of Insulin
- Type 1 diabetes
- Limitations on price
- Monopoly on insulin

Sen. Mathern introduced SB 2140 with supportive testimony (#26669).

Rep. McLeod, supportive testimony (#26670).

Scott Miller, Executive Director of the North Dakota Public Employees Retirement System, testified in support and proposed amendment (#22302).

Crystal Bartuska with the North Dakota Insurance Department, spoke in support.

Angela Kritzberger, North Dakota citizen and parent, supportive testimony (#22212).

Janelle Moos, Advocacy Director with AARP North Dakota, supportive testimony (#22274).

Danelle Johnson, Type-1 Diabetes Patient Advocate and parent, supportive testimony (#22215) (#22597).

Erin Conroy, North Dakota citizen, spoke in support.

Alex Kelsch, Lobbyist for AHIP, spoke in opposition.

Additional written testimony:

Stacey Poffenberger, North Dakota citizen and parent, supportive testimony (#21954)

Brenda Stallman, Administrator of Trail District Health Unit, supportive testimony (#21998).

Donene Feist, Director for Family Voices of North Dakota, supportive testimony (#22010).

Sheryl Pfliger, North Dakota citizen and parent, supportive testimony (#22041).

Arlyce Schulte, North Dakota citizen, supportive testimony (#22063).

Nina Kritzberger, North Dakota citizen, supportive testimony (#22198) (#22202).

Carissa Kemp, Director of the State Government Affairs and Advocacy for the American Diabetes Association, supportive testimony (#22209).

Kristen Schimmel, North Dakota nurse and parent, supportive testimony (#22253).

Erin Phillips, North Dakota citizen and parent, supportive testimony (#22331) (#22333).

Stuart Libby, North Dakota citizen and grandparent, supportive testimony (#22349).

Judith Libby, North Dakota citizen, supportive testimony (#22351).

Rick Becker, North Dakota citizen, opposition testimony (#22465) (#22570).

Trygg Sobolik, North Dakota citizen, supportive testimony (#22608).

Amy Knudson, North Dakota citizen and parent, supportive testimony (#22664).

Karlee Tebbutt, Regional Director of State Affairs for the America's Health Insurance Plans, opposition testimony (#22673).

Chairman Weisz adjourned the meeting at 3:56 PM.

Phillip Jacobs, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Pioneer Room, State Capitol

SB 2140
3/27/2023

Relating to public employee insulin drug and supplies benefits.

Chairman Weisz called the meeting to order at 11:20 AM.

Chairman Robin Weisz, Vice Chairman Matthew Ruby, Reps. Karen A. Anderson, Mike Beltz, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, Jayme Davis, and Gretchen Dobervich present. Rep. Clayton Fegley not present.

Discussion Topics:

- Committee work

Chairman Weisz called for a discussion on SB 2140.

Rep. McLeod moved a do pass on SB 2140 and referral to the Appropriations Committee.

Seconded by Rep. Dobervich.

Roll Call Vote:

Representatives	Vote
Representative Robin Weisz	N
Representative Matthew Ruby	N
Representative Karen A. Anderson	Y
Representative Mike Beltz	Y
Representative Jayme Davis	AB
Representative Gretchen Dobervich	Y
Representative Clayton Fegley	Y
Representative Kathy Frelich	Y
Representative Dawson Holle	Y
Representative Dwight Kiefert	N
Representative Carrie McLeod	Y
Representative Todd Porter	N
Representative Brandon Prichard	N
Representative Karen M. Rohr	Y

Motion carries 8-5-1.
Carried by Rep. McLeod.

Chairman Weisz adjourned the meeting at 11:25 AM.

Phillip Jacobs, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2140, as engrossed: Human Services Committee (Rep. Weisz, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2140 was rereferred to the **Appropriations Committee**.

2023 HOUSE APPROPRIATIONS

SB 2140

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2140
4/3/2023

Relating to public employee insulin drug and supplies benefits, relating to self-insurance health plans; to provide for a report; to provide for application;

9:04 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

All Members Present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- Co-Pay Amount
- Insulin Prices
- Insulin Brands Inclusivity

Representative Weisz- Introduces the bill and its purpose.

9:16 AM Chairman Vigesaa Closed the meeting for SB 2140

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2140
4/3/2023

Relating to public employee insulin drug and supplies benefits, relating to self-insurance health plans; to provide for a report; to provide for application;

10:51 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present - Representative Mitskog

Discussion Topics:

- Committee Action

Chairman Vigesaa Opened discussion.

Representative Pyle Move for a Do Pass

Representative Richter Seconds the Motion

Committee Discussion Roll call vote;

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	Y
Representative Bert Anderson	N
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	N
Representative Bob Martinson	N
Representative Lisa Meier	Y
Representative Alisa Mitskog	A
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y

Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	N
Representative Greg Stemen	N
Representative Michelle Strinden	N
Representative Steve Swiontek	Y

Motion Carries 14-8-1 Representative McLeod will carry the bill

10:57 AM Chairman Vigesaa Closed the meeting for SB 2140

Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2140, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (14 YEAS, 8 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2140 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2140

To Whom It May Concern,

I am one of two board certified Pediatric Endocrinologist's in the state of North Dakota who cares for children across the state with type 1 diabetes mellitus. I have also been living with type 1 diabetes mellitus since I was 8 years old. Type 1 diabetes mellitus is an autoimmune condition that requires daily insulin in the form of an insulin pump or multiple daily injections to live. Death incurs without insulin. Insulin was developed approximately 100 years ago and since that time the cost of the insulin has astronomically increased. This has resulted in a lifesaving medication to become unaffordable for many North Dakotans. This results in patients & families rationing their insulin instead of giving their appropriately prescribed doses. To not place a cap on prices of insulin would result in increased risk for morbidity and mortality for any person living with type 1 diabetes.

I strongly recommend that there be a cap to out-of-pocket costs for monthly insulin. Like I stated above, insulin is the only treatment for type 1 diabetes. Without capping insulin prices, you are causing significant harm to patients with a chronic illness. NONE of these people *chose* to be diagnosed with this chronic disease and most were children when they were diagnosed.

Sincerely,

Your concerned North Dakota citizen, ND citizen living with type 1 diabetes and local Pediatric Endocrinologist

Dr. Amanda Dahl, MD

My name is Andrea Hogstad and I am a diabetes nurse and my husband also has Type 1 diabetes mellitus, making him dependent on insulin to stay alive. I have worked as a nurse and with diabetes patients for over 17 years (8 years as a Diabetes educator) and my husband has had diabetes for over 18 years. In my experience, insulin prices have increased from about $30 per vial back when I first started as a nurse to over $250 per vial in recent years (please note that some patients are on several vials of insulin in a month). I have experience having to pay over $1000.00 for insulin for my husband and even last February, needing to pay $508 out of pocket due to a communication error on the part of our insurance PBM (pharmacy benefit manager). I could not get this overturned and we were out that money. Also understand that insulin is not the only cost for a person with diabetes. There are glucose testing supplies and sometimes insulin pump supplies to deliver the insulin into their bodies.

On the patient side, I have worked with children and adults that have struggled to pay for insulin due to high deductible or co-insurance costs, lack of insurance, or waiting periods for state insurance. I fully support any cap on insulin prices as this is a drug needed for survival for so many people. It is heart breaking to see patients ration insulin or stop their insulin because they cannot afford it. They end up dead or in the hospital (which is a much higher cost to insurance or to state taxpayers).

Thank you for your time reviewing my testimony.

Andrea Hogstad

SB2140
Senate Human Services Committee
Senator Lee Chair

Senator Lee and Members of the Committee,

My name is Donene Feist and I am the Director for Family Voices of North Dakota. Our work as you know, includes working with families who have children and youth with disabilities and chronic health conditions.

We stand today in support of SB2140. We hear from families on a regular basis, medical treatment for insulin dependent diabetics skyrocketing in price making it most difficult and often inaccessible with the best of health insurance for many across North Dakota and the country.

It is the one medication with a 100% success rate in managing their chronic illness. Families have little to no choice. For some it may mean putting milk on the table to feed the family or pay for medication. Their children and youth simply cannot go without.

Since 1990 the cost of insulin has risen 1200%. This is not a choice for families. Many families have more than one child/youth who have a diabetes diagnosis. Children with diabetes visited the emergency room 2.5 times more often than children without it. Acute inpatient services were used nearly five times more often.

We support this legislation by making a monthly co-payment cap of $25 for insulin and an additional $25 co-payment cap for diabetes supplies for the patients who utilize insulin for their diabetes management.

While the federal government as you know passed legislation, it only addressed those on Medicare. Addressing this immediate need or the supply chain itself will address ensure affordability and accessibility for all North Dakotans. My fear for families is what happens, if they become unable to pay for this life sustaining medication. I cannot bear the thought.

Additionally, since this was heard last session, I have been diagnosed with diabetes myself and understand fully the cost that this disease incurs.

Please pass SB2140, let's protect our children and youth with diabetes

Donene Feist
Family Voices of ND
701-493-2634
fvnd@drtel.net

American Diabetes Association®
Connected for Life

January 11, 2023

Dear Chairman Lee and Committee Members,

On behalf of the American Diabetes Association (ADA) please accept my thanks for hearing Senate Bill 2140 (SB 2140) to limit out-of-pocket monthly spending on insulin.

Diabetes is an epidemic in the United States and the cost of managing it can be unsustainable. There are 54,372 people in North Dakota who have been diagnosed with diabetes, or 9.1% of the adult population. People with diabetes have medical expenses approximately 2.3 times higher than those who do not. In North Dakota, the total direct medical expense for diagnosed diabetes was estimated to be $471 million in 2017 and an additional $109 million was spent on indirect costs from lost productivity.[1] When people with diabetes are unable to manage the disease and access the insulin they need it increases the risk of developing additional costly and burdensome complications including heart disease, kidney failure, and amputations.

As it stands, 22 states and the District of Columbia have passed laws to limit out-of-pocket monthly spending for insulin and as of January 1, 2023, all Medicare beneficiaries will have their out-of-pocket monthly spending for insulin capped at $35. Between 2002 and 2013 the cost of insulin nearly tripled[2]. When people cannot afford the medication necessary to manage their diabetes, they scale back or forego the care they need to manage their health or are forced to chose between paying for their medication or rent, utilities, and other necessities.

In 2019, BlueCross BlueShield of Minnesota announced that they would offer insulin to members with a $0 co-pay.[3] Following Colorado's legislation, the Colorado Sun reviewed documents from the 21 health plans and found that limiting out-of-pocket monthly spending on insulin either did not impact premiums or if they did, it was described as negligible.[4] Similar studies and fiscal analysis conducted in other states had similar findings. This legislation offers a solution to ensure that people with diabetes can afford the medication they need to live. I respectfully ask that you support SB 2140.

If you have questions, please don't hesitate to contact me at ckemp@diabetes.org.

Sincerely,

Carissa Kemp
Director of State Government Affairs and Advocacy
American Diabetes Association

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1/11/23 | Senate, Human Services Committee | SB 2140, Health Insurance Coverage Of Diabetes Drugs

Good morning, Senator Lee and Members of the Senate Human Services Committee. My name is Brenda Stallman and I am the administrator of Traill District Health Unit, which provides public health services to Traill County, including the communities of Mayville, Portland, Hillsboro, Hatton, Reynolds, and Buxton.

I am providing testimony in support of SB 2140. Over 8% of ND's population has a known diagnosis of diabetes. No one facing the day-to-day struggles of keeping blood sugar levels at an optimal level that prevents sickness and life-altering complications should first have to chose between paying their utility/rent bills or paying for insulin. No parent should have to choose between feeding their family or monitoring their child's blood sugar level. These scenarios are real.

I know people who do have diabetic children and they are not only burdened with the current cost of life-dependent insulin and blood sugar monitoring supplies, but they also face the realistic danger that their children will be unable to pay for these items themselves when they are no longer covered by their parents' insurance.

Are you aware that some of the most used forms of insulin cost 10 times more in the United States than in any other developed county? I am grateful that newly passed federal legislation caps insulin costs for Medicare beneficiaries and millions of seniors will no longer have to decide between purchasing life-saving medication and putting food on the table.

We can do better by helping North Dakotans dependent on insulin and diabetic monitoring supplies by establishing caps on insulin costs passed on my insurance providers. Other states, including but not limited to, Colorado, Illinois, Maine, New Mexico, New York, Utah, Washington, and West Virginia have taken important steps in capping insulin costs for insured individuals.

I thank you for considering SB 2140 that can have significant impact on the quality of life, lowered risk for debilitating complications, and improved life expectancy for our diabetic citizens.

TESTIMONY OF SCOTT MILLER

Senate Bill 2140 – Diabetes Drug and Equipment Mandate

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding Senate Bill 2140.

This bill creates a mandate regarding health insurance plan coverage of diabetes drugs and supplies. Assuming this is a health insurance plan coverage or payment mandate, this bill does not appear to comply with the statutory requirement in NDCC section 54-03-28(3) that health insurance plan mandates first apply to NDPERS. I understand a cost-benefit analysis has been requested, but not yet received, at least to my knowledge. Pursuant to NDCC 54-03-28, both of those issues must be corrected before this Committee can act on SB 2140.

The primary components of the proposed bill that will have actuarial impacts on the PERS program are the $25 limit on member cost-sharing for insulin and insulin supplies. The PERS plan requires members to pay a copay and coinsurance for insulin. Depending on the cost of the insulin prescribed and/or the cost of the supplies purchased, the member cost-share can exceed the proposed $25 limit. Therefore, imposing this limit will shift cost from members to the plan. Because this bill was submitted just last week, we have not yet had the opportunity to have our health insurance consultant analyze this bill to more accurately advise you on the cost of this bill.

Madam Chairperson and members of the Human Service committee, my name is Angela Kritzberger and I am from Hillsboro. I am here today to ask for your support and thoughtful consideration of SB2140 which provides a cap on insulin and basic diabetes supplies that are the minimum necessary requirements for sustaining life to those diagnosed as being insulin dependent.

On June 14th, 2016 our youngest daughter, age 7, was placed on life support. We received a rare house call from our local physician who came to offer their diagnosis and condolences after witnessing for several weeks what the cause of her symptoms were. We quickly learned that she would no longer live the carefree life of a healthy young child, and that her livelihood would rest solely on those that provided care to and for her. The diagnosis: Type 1 diabetes – an auto-immune disease that killed the healthy beta cells in her pancreas that produced the hormone known as insulin. Soon after, we would also come to learn what the cost was associated to keeping her alive. Not only the rising cost of insulin that has become a talking point across America, but the many medical and auxiliary supplies needed for her to sustain a healthy life.

I stand before you today as a concerned parent whose child will one day age off her parents self-employed, self-funded, high deductible health insurance plan. One day soon, she will have to ask herself if she can afford insulin and diabetes supplies on her own. I am also here today to be the voice for the many who are living with this costly life-long disease which can lead to complications; or worse, those who have already died because they could not afford to pay the price for their life. I have experienced caring for a daughter who lives with this disease; as well as experienced the loss of life to an uncle who could not effectively manage or afford the disease.

Affordable access to necessary life-saving medicines and supplies should be the minimum standard of care. In 2021, I offered my support to similar legislation. At that time, several states had passed legislation. Since then, 12 more states have taken action and passed legislation. As you will see from testimony offered from the American Diabetes Association, there are now 23 states that have put controls in place to help insulin dependent individuals access life sustaining supplies. I do not want to be standing here today asking for a bill to be named in memory of a loved one or close friend like our neighbors to the east in Minnesota who passed the Alec Smith Insulin Affordability Act in 2020. As a result of that legislative body being bold in their work, 465 lives were saved in 2021 because of that legislation providing access to affordable insulin.

In June of 2022, the Interim Health Care committee was presented a Diabetes Report for North Dakota in pursuant to ND Century Code (N.D.C.C.) 23-01-40. In this report, the first recommendation was for investing in/and or implementing was as follows: “Institute minimum health insurance policy coverage requirements for diabetes treatment and services. North Dakota is one of only four states that do not have a mandate or insurance requirement related to diabetes care. Because of this, prevention, management and medication coverage vary greatly, and places added burden on North Dakotans living with diabetes”. There have been numerous reports providing an overview of diabetes in the United States, associated complications to the disease as well as the costs associated with diabetes and actionable items for consideration. We know what the costs are associated to diabetes, but can we put a price on life?

I hope North Dakota is willing to come to the table as many other states have for meaningful and policy making discussions. I am asking you today – what is it that you choose for my daughter and for thousands of North Dakotans who have been forced to pay the price of a disease they did not choose? If not me, then who? If not them, than you.

Thank you for your time.

Angela Kritzberger
Mother of a Type 1 Diabetic
Diabetes Advocate
Hillsboro, ND
#701.430.3121

Honorable North Dakota Senators,

I am writing to you in support of Senate Bill 2140 regarding Insulin and Supplies Copay Capping Bill in North Dakota. Senators, please for a minute, imagine you are a seven year old boy. You are sitting in your classroom and you peer over to the door and you see your mother standing there. She appears frantic. She tells you that we need to get to the hospital right away. This morning, your mother had tested your blood sugar while you were sleeping (fasting) and it was 268 mg/dL. Please keep in mind that a normal blood sugar is less than 100 mg/dL. You spend the next couple hours getting poked and prodded. Crying, sobbing, begging to go home. The doctor finally tells you that you have Type 1 Diabetes. Type 1 Diabetes is an autoimmune disease that is triggered by environmental factors without a cure. You are scared. At seven years old, you do not fully understand what this means. You meet with the diabetes educator thinking that you are on your way home after your mother learns how to give you multiple daily injections of insulin. The doctor comes in and tells you that they found ketones (glucose) in your urine and that you need to go to the hospital. At this point, you're dehydrated and the nurses spend several hours trying to put in an IV to deliver fluids. Seven years old. My son was seven years old when this happened to him on March 10, 2022. My son never asked for this and there is nothing he could've done to prevent this disease. Imagine if this was your child or your grandchild. Living everyday only because of a hormone that is produced by a pharmacy because your pancreas no longer produces it.

This is what I have learned from the last year as a caretaker of someone with this disease. Prior to 1921, people with Type 1 Diabetes did not live long because there was not much that doctors could do for them, dying within days or months. In 1921, insulin was successfully isolated by Frederick Banting and his medical student Charles Best. Within a year, people with Type 1 Diabetes were being treated with insulin for a disease that had been previously considered fatal. According to the American Diabetes Association, over 1.9 million Americans live with the disease, making insulin a medical miracle for many. In 1923, Banting, Colip and Best were awarded U.S. patents on insulin and the method used to make it. They sold these patents to the University of Toronto for $1 each. That's worth repeating. They sold these patents to the University of Toronto for $1 each! According to Advanced Science News, Banting famously said "Insulin does not belong to me, it belongs to the world." He wanted <u>everyone</u> to have access to it.

Fast forward to today, where the pharmaceutical industry is price gouging millions of patients for a medication that costs from $2-$6 to produce. This greed is keeping insulin out of the hands of those who need it to survive. Many Type 1 Diabetics are living with the daily anxiety that they need to ration their insulin, go without it at times or that they won't be able to afford it. A study in the Annals of Internal Medicine found that in 2021, 1 in 5 Americans were rationing their insulin. This means that they sacrifice paying bills and buying groceries to afford insulin. What we are seeing is the manipulation of the population to make a profit. The intent of Mr. Banting's discovery was to save lives and yet people can not afford a product made for that sole purpose. Type 1 Diabetics should not have to compromise their health due to affordability and inequality.

We are urging you to vote yes and join the other 23 states that have capped the price of insulin and basic supplies to sustain life and delay complications by providing access and affordability to everyone for this minimum standard of care.

I will leave you with one last thing I've learned. Did you know that people living with Type 1 Diabetes make over 180 decisions every day regarding how to manage the disease in addition to everyday life decisions. How about we take away one of them - making the decision on whether or not they can afford to buy insulin to stay alive? The price of voting no on a cap for insulin, could be paid in human lives. So, I ask you, how would you vote if your child or grandchild was living with Type 1 Diabetes and there was a possibility they could not afford the drug they need to stay alive? Please vote yes on Senate Bill 2140. Thank you for your support of this request.

Gwen Sobolik
(Mother of Trygg Sobolik, Type 1 Diabetic)
Park River, North Dakota

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Senate Bill 2140 – Support
January 11, 2023
Senate Human Services
Janelle Moos, AARP ND- jmoos@aarp.org

Chair Lee and Members of the Senate Human Services Committee,

My name is Janelle Moos, Advocacy Director with AARP North Dakota. The high cost of insulin and other prescription drugs is putting life-saving medications out of reach for many North Dakotans.

AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. 84,000 of those members live in North Dakota – a staggering number when you consider the overall population of our stat

The high cost of prescription drugs hits our members, and frankly all North Dakotans. In AARP's 2020 survey of North Dakota adults, in the past two years, one-quarter reported not filling a prescription that was provided by their doctor- 44 percent of those adults- decided not to fill a prescription that their doctor had given them because of the cost of the drug. As Between 2012 and 2017, the average annual cost of prescription drug treatment increased 57.8 percent, while the annual income for North Dakotans only increased 6.7 percent.

We hear stories from North Dakotans trying the manage the high cost of medicine along with paying for other necessities like food and utilities. For example, Dennis, a diabetic, who told us about his concerns he may have to go back to work after retiring to pay for his insulin- his co-pay is about $100/month- with insurance- without insurance, his co-pay would be about $400/month.

Even though insulin has been around for almost a century, the cost of the diabetes drug has skyrocketed in recent years, nearly tripling between 2002 and 2013. And Medicare Part D spending on insulin jumped 840 percent between 2007 and 2017, from $1.4 billion to $13.3 billion, far outpacing growth in the number of beneficiaries using insulin therapy, according to a Kaiser Family Foundation analysis.

All totaled, Americans with diabetes, the majority of whom are older adults, face insulin prices that average more than $5,000 per year, some reports show. And these high prices have led a growing number of patients who rely on the lifesaving drug to resort to rationing or skipping doses because they can't afford the medication.

Placing a cap on consumer's out-of-pocket prescription drug expenses is one approach that some states are considering relieving consumer's financial burdens. States have designed out of-pocket caps in a number of ways, including applying spending limits to certain drugs only, or applying the cap to either a consumers' monthly or annual prescription drug expenditures. AARP believes that such efforts should be implemented in conjunction with other policy changes that will help reduce prescription drug prices.

We encourage the legislature to consider this bill along with other broader reforms such as prescription drug reference rate pilot project as part of the conversation to help lower the cost of prescription drugs for North Dakotans.

Thank you again for your thoughtful work on this issue. We wholeheartedly appreciate any effort to make medicine more affordable.

I'm Dr. Eric L. Johnson, and I am providing written testimony today regarding SB 2140 specifically related to a price cap on insulin. I have been the Assistant Medical Director of the Diabetes Center at Altru Health System in Grand Forks, and I also have type 1 diabetes. My opinions are of my own, and do not reflect any organizations I am associated with.

For many years the cost of insulin has continued to rise, creating hardship for those who require it. Those with type 1 diabetes have no other treatment options, and I personally have witnessed bad outcomes, often including hospitalization, for those who skip insulin doses or "ration" insulin in the face of high costs. Even those with insurance can face an insulin cost issue with co-pays that have steadily risen over time. So called "generic" insulins, including insulin R and Insulin N are of lower quality and are not useful in insulin pump devices, which have become very common in the treatment of both type 1 and type 2 diabetes.

Other states including Maine, New Mexico, New York, Utah, Washington, West Virginia, Colorado and Illinois have successfully legislated price caps on insulin, typically in the range of $25-$35. I am asking at this time that you take on this issue and help thousands in North Dakota who require insulin for treatment of their diabetes and to stay safe in managing their diabetes.

Respectfully submitted,

Eric L. Johnson, M.D.

Grand Forks, ND

701 739 0877

Hello!

My son, Caffrey, was diagnosed with Type 1 Diabetes (T1D) 3 years ago at age 6. We were given brief hospital training and told to wake up at 2 a.m. every night to check his blood glucose to keep him alive. The very medicine we gave him could keep him in range or kill him. It is extremely important for T1D to keep their blood glucose in range to prevent long- term health problems. In children, this dosing can change weekly based on hormonal changes, growth, activity, and other things. We are constantly in contact with our doctor to make sure his blood glucose stays in range.
The cost of insulin is prohibitive in itself. It is not just a financial cost. The Type 1 diabetics and their loved ones face emotional cost, loss of sleep, and 24/7 stress of managing the disease. In addition to all of these costs, now add an expensive, FOR LIFE, medication that is life or death. There is technology to make the extreme stress of this disease a little more manageable but that adds even more financial cost. The cost of insulin itself is the burden we are addressing. Everyone faces a co-pay or deductible. Our son's insulin for the month of January 2021 was 513.07 (and this is when he was 8 and his insulin needs were relatively small). His test strips that he also must have to check his blood glucose levels cost $210.01. No matter what your income, paying the approximate $700 per month until the deductible is met can be a financial hardship for many. This is for life. Many meds you can skip for a period of time without dying. Insulin is necessary all day,every day for life. Please consider this diabetes supply copay cap.

Sincerely,
Heidi Abler

We are in the fortunate position of having a good income and excellent insurance. Our son's type 1 diabetes is a mental and emotional expense for our family but the financial expense is managable.

We are in the minority. The type 1 community is very willing to share their stories. Most of them involve the financial expenses and stresses that come with type 1 diabetes. The cost of insulin is high - most prescriptions are high. But not many prescriptions are life or death like insulin.

The cost of insulin is insulting given that it was patented and sold for $1 over 100 years ago. There are no new research costs. It is a cash cow for pharmaceuticals preying on those who literally cannot live without it.

This is not botox, viagra, or a boutique elective drug. This is literally a life or death drug - one that type 1 individuals need from the day of diagnosis every day until they pass. As such we as a country should be "PRO LIFE" for the living and make insulin affordable for all.

If one person ever died from not being able to afford insulin it would be too many. 87,647 death certificates in 2019 listed diabetes as the primary cause. This is an insidious disease. What's even more insidious is the profiteering involving the price of insulin.

The online cost estimate to make a vial of insulin is $2 to $10. Capping the price at $30 (a 300 to 1500% profit margin) would ensure that pharmaceuticals make a profit and those who cannot live without it can afford it.

Dylan Abler

I ask for this Committee's support of SB2140.

I am a lifelong North Dakota resident and the mother of a 13-year-old boy living with Type 1 Diabetes.

During the last legislative session, I was one of the mothers advocating for an insulin-capping bill. Our bill failed by a small margin for a number of reasons, including widespread misinformation, the impact of lobbyists, the fact that we were advocates but not individuals insured by a State health plan, and the fact that the version of the bill advanced to the floor had been so terribly gutted by this Committee that it was virtually ineffective.

Today I'm thrilled to let you know that you have a second chance. You are positioned to advance a meaningful bill – one that will help many people, including my son, who is insured under the Sanford Health Plan.

Please give a "do pass" recommendation to this bill with minimum, if any, modifications. North Dakota needs to make a statement that insulin-dependent people matter.

January 10,2023

To this may concern,

I am writing on behalf of SB 2140. I support this bill due to the fact that I have many family members who are diabetic. The cost of supplies has gotten out of control. Not only did I have a mom who was diabetic and lost her due to the lack of access to supplies. Being the mother of a diabetic for the past 15 years and we have struggled at times to cover supplies.

Please consider passing this bill to help with some of the burden of being a diabetic. This is a very sensitive subject for me that I will fight and fight for any support I can do.

Sincerely

Melanie Nygord

As a parent of a son with Type 1 Diabetes, I am very much in support of the Insulin and supplies copay capping Bill in North Dakota. My name is Amber Stockeland, I am from Hannaford, ND and my son Jarin was diagnosed with Type 1 Diabetes at the age of 2 in 2008. In the 14 years we have been living with Type 1 Diabetes the cost of insulin has gone up significantly. Regardless of the insurance I have carried the out-of-pocket cost has always been a concern. When I was single mother, I had to choose between paying for my son's life sustaining medication or pay my electric bill. Jarin's insulin and life always won. Between the monthly insurance premium payments, insulin pump supplies, constant blood glucose monitoring supplies and insulin costs some months out-of- pocket pay is well over $2000.00. Parents of Type I Diabetics not only worry about how the insulin prices affect our family now, but how out Type 1 Diabetics will be able to afford their medications as they become adults. Type 1 Diabetics are not asking for insulin to be free, just affordable. We should not have to choose between keeping our children alive or keeping our lights on.

Thank you for your time,

Amber Stockeland

January 11, 2023

Madam Chair Lee and members of the committee, I am Danelle Johnson from Horace, ND. I am here representing myself. I support this bill because our daughter Danika (20), lives with auto-immune Type 1 Diabetes, as do many residents in our state. She is insulin dependent to sustain her life, for the duration of her life, or until a cure is found. I have advocated at local, state and federal levels for years and have yet to see progress for residents of North Dakota until the Federal Inflation Reduction Act capped the monthly cost of insulin for Medicare enrollees at $35.

The inability to afford insulin is more daunting than having a family member diagnosed with Type 1 Diabetes. We were told if we\she takes care of herself, she can live a long, healthy life, free of complications. The medical care team can't prepare you for not being able to afford insulin and supplies necessary to dose and administer insulin therapy. This can be the start of losing hope. The burden can lead to anxiety\depression, addiction, suicide, poor performance at school or work, financial ruin, isolation, homelessness and a variety of issues, just to get their hands on this liquid gold.

Together, we have an opportunity to change this trajectory.

22 States and the District of Columbia enacted legislation for accessible and affordable insulin therapy. North Dakota is operating on You PAY or You DIE. This manipulated market is unsustainable and costs lives.

There is not a generic (biosimilar) option and in the US, we are charged 7 to 10 times more than other developed countries for insulin. There is a "fake" generic for example: insulin aspart, which is the same as brand name Novolog & Fiasp, is insulin made by the same company with a different label, and at a much lower price. The cost of insulin has risen over 1200% since 1990 with no substantial changes to the product. That would make your gallon of milk cost over $3000, and you can live without milk, but 8.3 Million American's can't live without insulin. Insulin is the hormone that converts glucose to energy to survive.

Some comments that might deter legislators from supporting this bill.

1. “Cap or mandates don’t work”
2. “It’s a slippery slope”
3. “If we do it for insulin, we have to do it for other drugs and procedures”
4. “If we pay for your insulin, other insured’s premiums will increase”
5. “If diabetics don’t continue to pay this outrageous price, the manufacturers can’t research and develop new drugs”
6. “If we cap prices, we may lose the rebates offered”
7. “I paid for my family’s medical bills, you should pay for yours”
8. “We value life at all ages”

My responses:

1. “You are right, in a manipulated market nothing works. We need to instill reasonable controls to protect people from blackmail for their life.
2. It doesn’t have to be a slippery slope. If a treatment for any disease has also been available for 100 years, and it has increased in price by 1200%, and it is 100% proven effective for millions of people, and allows people to reach a higher potential at work or school, and is proven to delay devastating and disabling complications by all means, YES IT SHOULD be accessible and affordable to everyone for the good of society.
3. No, you don’t have to do this for everything, this is a tactic to pit one disease against another. Insulin dependent diabetes has proven it takes lives due to rationing because of cost barriers, over and over.
4. Show me the studies, show me the numbers, show me the reality if this is true. Or is it true because the insurer makes it seem so? There is more data supporting that fewer complications related to diabetes like heart disease, kidney failure, diabetic retinopathy, stroke, blindness and amputations actually lowers the costs overall.
5. Federally, it has been proven that Big Pharma spends MORE money on lobbying, than on research and development of new drugs or therapies. Are you REALLY saying that people with diabetes should continue to DIE even though there is a known, 100% proven therapy available because it is so expensive it can support research, so one of your loved ones can live because of a newly discovered drug or treatment?

6. I am aware of zero studies showing if we cap the price of insulin, the costs will rise for other members of the group. Please show them to me. However, if we lose the fake rebates that are being subsidized on the backs, or lives of diabetics, yes, your premiums CAN and in my opinion SHOULD go up. If I new I was being subsidized a few dollars on my premium but causing someone's loss of life, I would personally be devastated. If we were transparent with this information, I know others would be too.
7. If you paid for all your family medical costs decades ago, know that it isn't an apples to apples comparison because high deductible health plans and runaway prescription drug costs didn't exist then. That doesn't mean I don't agree it was hard to do.
8. If you truly value LIFE, you will work to help us make progress for affordable and accessible insulin therapy.

I am also advocating at the Federal level for the bipartisan *Improving Needed Safeguards for Users of Lifesaving Insulin Now* (INSULIN) Act, however we need to act now in North Dakota. Diabetics have carried the burden far too long, especially with the popularity of employer sponsored high deductible health insurance plans being the only option for many families. Diabetes claimed 100,000 lives in 2021, making it one of the leading causes of death in the US.

Diabetes is the most expensive chronic disease in the US where $1 of every $4 spent on healthcare is for a diabetes related care or treatment. This is unsustainable for the healthcare system, as 64,000 people are diagnosed with insulin dependent Type 1 diabetes every year, and that doesn't take into account all the other types of diabetes that require insulin. In closing, I look forward to collaborating with you to make progress on this issue to create a bill we can agree on and

Lack of Insulin Stops a Beating Heart and it truly is that Black and White.

Respectfully,

Danelle R. Johnson

My name is Peggy Hanson, I live in Grafton, ND. I have an eleven-year-old daughter with type 1 diabetes. She was diagnosed at age five. I am a nurse. I thought I knew about caring for diabetics. You don't know until you live with someone whose life is dependent on insulin twenty-four hours day, seven days a week. Missing an insulin bolus at one meal can cause havoc in their lives. Insulin isn't something that they can choose. Without it they don't live. The cost of insulin needs to be affordable to everyone. Type 1 diabetes isn't selective. It doesn't know your income level when you are diagnosed. The cost of complications far outweighs the cost of treatment. Treatment needed to live. Please consider voting in favor of SB2140. Thank you for your time.

SB 2140 TESTIMONY
January 11, 2023

Chairman Lee and members of the North Dakota Senate Human Services Committee,

My name is Cara Mund, Bismarck, ND. I support the estimated 58,335 North Dakotans currently living with diagnosed diabetes, the 16,281 North Dakotans living with undiagnosed diabetes, and the 177,618 North Dakotans living with prediabetes.[1]

I am in support of SB 2140 for three reasons:

1. **North Dakota is one of only four states that does not have a mandated insurance requirement specific to diabetes coverage.[2] Therefore, North Dakotans living with diabetes have no guaranteed minimum coverage for their related medical expenses.**

   Legislation capping the cost of insulin, or the cost of care for people living with diabetes, has already been passed in 23 states and Washington, D.C; North Dakota is not one of them. In most cases, the state laws apply to state-regulated health insurance plans. A comparative list of states that have implemented out-of-pocket caps on insulin for state-regulated health plans is detailed below:[3]

Out-Of-Pocket Insulin Caps For State-Regulated Health Plans	
Alabama	Capped at $100/month
Colorado	Capped at $100/month, plus a provision that provides $50/month insulin to people who aren't helped by the $100/month cap
Connecticut	Capped at $25/month
Delaware	Capped at $100/month and no cost-sharing for insulin pumps
Illinois	Capped at $100/month
Kentucky	Capped at $30/month
Maine	Capped at $35/month
Maryland	Capped at $30/month (effective as of 2023)
Minnesota	Cap varies depending on the person's circumstances
New Hampshire	Capped at $30/month
New Mexico	Capped at $25/month
New York	Capped at $100/month
Oregon	Capped at $75/month
Rhode Island	Capped at $40/month
Texas	Capped at $25/month
Utah	Capped at $30/month
Vermont	Capped at $100/month
Virginia	Capped at $50/month
Washington	Capped at $35/month
Washington, D.C.	Capped at $30/month
West Virginia	Capped at $100/month

[1] https://ndlegis.gov/files/committees/67-2021/23_5151_03000appendixd.pdf
[2] *Id.*
[3] https://www.verywellhealth.com/programs-to-cap-insulin-costs-5667166

2. **SB 2140 and state law requires a cost-benefit analysis prior to additional implementation.**

   Per state law, an insurance mandate must be administered to the state's public employee retirement system and undergo a cost-benefit analysis before it is applied to other plans.[4] Therefore, as the bill is currently written, only residents enrolled in the North Dakota Public Employees Retirement System would qualify to obtain a 30-day supply of insulin with a maximum co-pay or co-insurance of $25. According to Daniel Weiss, Sanford Health Plan's senior executive director of pharmacy, almost 700 members under the state employee retirement system filed claims for insulin in 2020.[5] After two years, you would have the opportunity to analyze the costs incurred by the plan and then decide whether to apply it to other insurance plans. Now is the time to conduct this cost-benefit analysis.

3. **SB 2140 provides economic assistance to North Dakotans that the *Inflation Reduction Act of 2022* left behind.**

   It is estimated that 15,300 North Dakotans living with diabetes require insulin medication, many of whom are on state insurance plans and/or not Medicare beneficiaries. Although the *Inflation Reduction Act of 2022* is meaningful for some North Dakotans — caps insulin co-payments for the thousands of North Dakota Medicare beneficiaries that use insulin — it excludes all other North Dakotans who also need insulin.[6] Over the last five years, 45–50-year-old adults in North Dakota have seen the largest increase of diabetes; yet, they were eliminated from the bill.[7] It is now up to the state to bridge the gap for the North Dakota patients that the *Inflation Reduction Act of 2022* left behind.

<u>I will now address three arguments brought forth against the bill:</u>

1. **"The bill would not change the price of insulin."**

   This is true; co-pay caps are not price caps, they do not change the underlying price of insulin. Insulin is expensive because of a lack of competition in the marketplace. The vast majority of insulin is produced by three companies — Novo Nordisk, Sanofi, and Eli Lilly — who produce around 90% of the market. Yet, the United States has the highest insulin prices in the world at an average of $98.70 per vial, nearly seven times higher than the country with the next most expensive insulin, Japan, which averages $14.40 per vial.[8] Based on the vast difference between countries, I agree with Blue Cross Blue Shield and the Sanford Health Plan's prior comments that the federal government needs to step in; however, considering that the federal provision to cap insulin costs at $35 for private insurers in the *Inflation Reduction Act of 2022* was blocked in the Senate, such federal action is unlikely to occur anytime soon. Therefore, 23 states and the

[4] Section 54-03-28
[5] https://www.thedickinsonpress.com/news/north-dakota-lawmakers-scale-back-bill-aimed-at-curbing-insulin-costs
[6] https://www.whitehouse.gov/wp-content/uploads/2022/08/North-Dakota-Health-Care.pdf
[7] https://ndlegis.gov/files/committees/67-2021/23_5151_03000appendixd.pdf
[8] https://www.rand.org/blog/rand-review/2021/01/the-astronomical-price-of-insulin-hurts-american-families.html

District of Columbia have stepped up and enacted similar legislation for their residents; it is time North Dakota does the same. The lives, future, and blood of North Dakotans living with diabetes now rests in YOUR hands.

2. **"A copay or cost-sharing cap may incentivize higher cost insulin by manufacturers that would be passed onto consumers. With a copay or cost-sharing cap, as the cost of prescription drug rises, the excess above and beyond the cap is passed on to other members."**

   Without a cost-benefit analysis, these arguments lack merit. Pending federal approval, generic insulin is expected to disrupt market pricing in the United States by early 2024;[9] therefore, the argument that a copay or cost-sharing cap may incentivize higher cost insulin by manufacturers feigns ignorance to the future of the marketplace.

   Additionally, the high cost of insulin leads to increased barriers of accessibility which leads to lower medication use and an increase in the cost of related hospitalizations and emergency room visits. Although reducing out-of-pocket cost-sharing for insulin could initially mean payers and insurers would cover a greater share of the costs, these costs would be offset by the increased medication adherence and reduced rates of hospitalization due to the affordability of insulin.

3. **"[The bill] does not affect employer-funded programs…[t]hose particular policies are exempt from any mandate either from the Affordable Care Act or from the state."**

   State laws and regulations never apply to self-insured group health plans, which are instead regulated at the federal level; however, that does not mean you should not take action. For health plans that individuals and employers purchase from an insurance company, state rules apply. Since at least 40% of the population in North Dakota is covered by independent employer-provided health policies, this argument fails to acknowledge the already existing gap in the affordability of insulin for different groups of North Dakotans.

Diabetes can affect anyone: you, your spouse, your children, or your grandchildren. Factors such as what insurance plan a North Dakotan has or if they survived living with diabetes long enough to even be on Medicare should not determine whether they can afford their life-saving medication. When it comes to the affordability of insulin, the life of every North Dakotan matters. This is not a partisanship issue; it is a life-or-death issue that impacts the State of North Dakota every single day.

Respectfully Submitted,

Cara Mund, Bismarck

[9] https://www.aha.org/aha-center-health-innovation-market-scan/2022-03-15-civica-rx-aims-disrupt-generic-insulin-market

To: Chairman Dever, Randy Burckhard, Kyle Davison, Curt Kreun, & Tim Mathern

From: Katie Paulson, caregiver of child with diabetes

Re: SB 2140

Chairman Dever and committee members,

Please consider supporting SB 2140 as it will provide reasonable access and payment for the lifesaving drugs and supplies that diabetic people in our state depend upon to live.

In February of 2022, after what we thought was a long version of the stomach flu, my son Lucas age twelve had a life flight from our small town of Watford City to Sanford Medical Center in Bismarck. He was not sick with the flu, but we learned that he now was considered a Type 1 Diabetic and he was in severe Diabetic Ketoacidosis. It was a terrifying ordeal, but I am no stranger to T1D as my dad has been insulin dependent since he was 20 years old. I have lived with a diabetic person most of my life. I was actually a bit relieved that it was a disorder that we could manage as my dad has for over 45 years.

I learned very quickly that being the caregiver for a youth with T1D was completely different than being a child in a house with a diabetic parent. It was my job to balance his insulin and blood glucose levels were working to keep him at a healthy and normal range. I still remember the sticker shock when I picked up my first monthly order of CGM (Continuous Glucose Monitors), one month of insulin, and the other supplies that we needed to take home with us to begin this journey. It was over $1300 for our family. The insulin itself was over $600 for both kinds that we were prescribed. I have good health insurance from my job, but there is no prescription plan that offsets the costs for us to keep our supplies. I know that regardless of the price we have to get our supplies.

It would be a great help if you pass SB 2140 for any of our diabetic citizens in North Dakota. I think about diabetic people that struggle financially, and I know some that “ration” their insulin because

of the cost. If diabetic folks do not control their disease and keep their blood glucose level in the range the doctors prescribe it could result in death. It is very dangerous and it also increases the risk for other health conditions that happen to diabetic patients that don't have the means to control their blood glucose levels.

Type 1 Diabetes is an auto-immune disease that happens without cause other than genetics. We learned that Lucas' body was attacking the beta cells in his pancreas. The beta cells are the cells that create insulin in our bodies. Our doctor told us the second day in the ICU that there was nothing that we could have done to stop this from happening to our son. It was coded in his body before he was even born. He certainly didn't ask for this to happen. He and other insulin dependent diabetics have no choice other than to manually give their bodies insulin. There is no other way to control this disease.

From the moment this journey started with my son, I have been plagued with worry. I worry constantly about his blood sugar, I worry about him as he grows and moves toward his own independent life where I won't be the one purchasing his supplies, and I worry that this is a burden that he doesn't deserve. Diabetes is a heavy load in itself, but the financial burden of the disease and ease of access to drugs and tools can be something that is addressed.

I strongly encourage you to pass SB 2140 to ensure access and affordability of insulin to our diabetic citizens. Give our citizens easy access to a drug that their life depends upon. Thank you for your consideration on this bill.

Sincerely,

Katie Paulson

January 11, 2023

SB2140

Senate Human Services Committee

Madam Chairman Lee and members of the Human Services Committee,

My name is Tim Mathern here to introduce Senate Bill 2140. I call this bill an important old friend as we have attempted passage before and some of you have seen this bill before. SB 2140 directs insurance companies including our state health insurance plan to cover the costs of diabetes drugs and supplies.

Too many of our citizens suffer from diabetes and the costs of care are too burdensome. This bill essentially directs our public policy to spread these costs throughout the larger population through our insurance mandate process. The bill also exempts the coverage from going through the implementation process of a two-year application in our state health plan. The bill includes $25 cost caps and lists specific items to be covered.

The bill is comprehensive, tough, and direct. While so, the passage of this bill is what we need to save lives and prevent the economic destruction of family units.

Thank you.

Please direct questions to other persons waiting to testify. They know much more about this topic.

I ask for a Do Pass recommendation on SB2140

Senator Tim Mathern

Fargo ND

Greater North Dakota Chamber

GREATER NORTH DAKOTA CHAMBER
SB 2140
Senate Human Services Committee
Chair Judy Lee
January 11th, 2023

Chair Lee and members of the Committee, my name is Andrea Pfennig with the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization. We stand in **opposition** of Senate Bill 2140.

Recently, GNDC partnered with the NDSU Challey Institute for Global Innovation and Growth to complete a survey about the business climate in North Dakota. The survey found that 37 percent of respondents felt the second highest factor negatively affecting business performance was high healthcare costs. Both healthcare mandates and price controls shift the cost to others and artificially increase the cost of care long term.

GNDC believes strongly in the free market system. This system gives strength to the consumer by encouraging companies to compete among each other for their business. Competition motivates companies to produce the products that meet the needs of the consumer at reasonable prices the market can support. This competition within the free-market system has led our nation to innovate and develop world class products at reasonable prices, all at the demand of the consumer.

Chair Lee and members of the Committee, thank you for the opportunity to comment. I respectfully urge you to reject SB 2140 and I would be happy to respond to any questions.

701.222.0929 ndchamber@ndchamber.com ndchamber.com PO Box 2639 • Bismarck, ND 58502

23.0532.01001
Title.

Prepared by the Legislative Council staff for
Senator Mathern
January 17, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2140

Page 1, line 9, remove "**cost-sharing limitations and formulary**"

Page 1, line 10, replace "**limitations**" with "**out-of-pocket limitations**"

Page 2, line 12, after the underscored comma insert "in"

Page 2, line 12, replace "or" with "and"

Page 2, line 23, replace "The" with "A"

Page 2, line 23, replace "provide cost-sharing" with "limit out-of-pocket costs"

Page 3, line 3, remove "cost-sharing"

Page 3, line 4, remove "amount of the cost-sharing"

Page 3, remove line 5

Page 3, line 6, replace "dosing and administration" with "out-of-pocket limits set forth"

Page 3, line 7, remove "allow for the use of a formulary to determine coverage of an insulin"

Page 3, line 8, replace "drug or medical supplies for insulin dosing and administration" with "impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount set forth under subsection 3"

Page 3, line 9, after "implement" insert "a particular"

Page 3, line 9, after "cost-sharing" insert "structure"

Page 3, line 10, replace "the implementation of cost-sharing in an amount" with "a policy from limiting out-of-pocket costs to"

Page 3, line 11, replace "cost-sharing" with "out-of-pocket costs"

Renumber accordingly

23.0532.01001

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2140

Introduced by

Senators Mathern, Dever

Representatives Hanson, McLeod, Pyle, Schauer

A BILL for an Act to create and enact section 26.1-36-09.16 of the North Dakota Century Code, relating to accident and health insurance coverage of diabetes drugs and supplies; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to public employees self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 26.1-36-09.16 of the North Dakota Century Code is created and enacted as follows:

26.1-36-09.16. Insulin drug and supply ~~cost-sharing limitations and formulary limitations~~out-of-pocket limitations.

1. As used in this section:

   a. "Insulin drug" means a prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:

      (1) Rapid-acting insulin;

      (2) Short-acting insulin;

      (3) Intermediate-acting insulin;

      (4) Long-acting insulin;

      (5) Premixed insulin product;

      (6) Premixed insulin/GLP-1 RA product; and

      (7) Concentrated human regular insulin.

b. "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:

(1) Blood glucose meters;

(2) Blood glucose test strips;

(3) Lancing devices and lancets;

(4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips;

(5) Glucagon, in injectable ~~or~~and nasal forms;

(6) Insulin pen needles; and

(7) Insulin syringes.

c. "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a covered individual's prescriptions.

d. "Policy" means an accident and health insurance policy, contract, or evidence of coverage on a group, individual, blanket, franchise, or association basis.

2. An insurer may not deliver, issue, execute, or renew a policy that provides coverage for an insulin drug or medical supplies for insulin dosing and administration unless the policy complies with this section.

3. ~~The~~A policy must ~~provide cost-sharing~~limit out-of-pocket costs for a thirty-day supply of:

a. Prescribed insulin drugs which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs.

b. Prescribed medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.

4. A policy may not allow a pharmacy benefits manager or the pharmacy or distributor to charge, require the pharmacy or distributor to collect, or require a covered individual to make, a ~~cost-sharing~~ payment for a covered insulin drug or medical supplies for insulin dosing and administration in an amount that exceeds the ~~amount of the cost-sharing payment for the prescribed insulin drugs or prescribed medical supplies for insulin dosing and administration~~out-of-pocket limits set forth under subsection 3.

5. A policy may not ~~allow for the use of a formulary to determine coverage of an insulin drug or medical supplies for insulin dosing and administration~~impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount set forth under subsection 3.

6. Subsection 3 does not require a policy to implement a particular cost-sharing structure and does not prevent ~~the implementation of cost-sharing in an amount~~a policy from limiting out-of-pocket costs to less than the amount specified under subsection 3. Subsection 3 does not limit ~~cost-sharing~~out-of-pocket costs on an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor. This section does not limit whether a policy classifies an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor as a drug or as a medical device or supply.

SECTION 2. AMENDMENT. Section 26.1-36.6-03 of the North Dakota Century Code is amended and reenacted as follows:

26.1-36.6-03. Self-insurance health plans - Requirements.

1. The following policy provisions apply to a self-insurance health plan or to the administrative services only or third-party administrator, and are subject to the jurisdiction of the commissioner: 26.1-36-03, 26.1-36-03.1, 26.1-36-05, 26.1-36-10, 26.1-36-12, 26.1-36-12.4, 26.1-36-12.6, 26.1-36-13, 26.1-36-14, 26.1-36-17, 26.1-36-18, 26.1-36-19, 26.1-36-23, 26.1-36-29, 26.1-36-37.1, 26.1-36-38, 26.1-36-39, 26.1-36-41, 26.1-36-44, and 26.1-36-46.
2. The following health benefit provisions applicable to a group accident and health insurance policy under chapter 26.1-36 apply to a self-insurance health plan and are subject to the jurisdiction of the commissioner: 26.1-36-06, 26.1-36-06.1, 26.1-36-07,

26.1-36-08, 26.1-36-08.1, 26.1-36-09, 26.1-36-09.1, 26.1-36-09.2, 26.1-36-09.3, 26.1-36-09.5, 26.1-36-09.6, 26.1-36-09.7, 26.1-36-09.8, 26.1-36-09.9, 26.1-36-09.10, 26.1-36-09.11, 26.1-36-09.12, 26.1-36-09.13, 26.1-36-09.14, 26.1-36-09.15, 26.1-36-09.16, 26.1-36-11, 26.1-36-12.2, 26.1-36-20, 26.1-36-21, 26.1-36-22, 26.1-36-23.1, and 26.1-36-43.

SECTION 3. APPLICATION. This Act applies to a policy delivered, issued, executed, or renewed after June 30, 2023.

SECTION 4. EFFECTIVE DATE. This Act becomes effective July 1, 2023.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

From: Lee, Judy E.
To: -Grp-NDLA Senate Human Services; Lahr, Pat; Wolf, Sheldon
Subject: FW: SB 2140- Insulin Caps
Date: Tuesday, January 17, 2023 2:12:30 PM
Attachments: image001.png

FYI -

Senator Judy Lee
1822 Brentwood Court
West Fargo, ND 58078
Home phone: 701-282-6512
Email: jlee@ndlegis.gov

From: Bartuska, Chrystal A. <cabartuska@nd.gov>
Sent: Tuesday, January 17, 2023 2:11 PM
To: Lee, Judy E. <jlee@ndlegis.gov>; Cleary, Sean <scleary@ndlegis.gov>
Subject: SB 2140- Insulin Caps

Good Afternoon Senators,

During the testimony presented last week on this bill there were questions regarding insulin caps on high deductible health plans and overall coverage for these benefits on these plans. I wanted to provide you with this guidance from the IRS that allows for diabetes treatments and diagnosis (see appendix) to be treated and categorized as preventative care. This means that the consumer does not have to meet the deductible prior to preventative care benefits to apply on HDHP's. However, there is more to this bill than just deductibles and application of caps, so this may not catch all of the questions.

https://www.irs.gov/pub/irs-drop/n-19-45.pdf

Also, there was testimony from the insurer's that stated there is a federal executive order or even federal initiatives on this topic, but the executive order to cap insulin is for Medicare only. I just wanted to clarify that.

Again, please note the department is neutral on this and I just wanted to clarify something from the hearing and provide some education on HDHP.

Thank you

Chrystal Bartuska
Division Director, Life/Health/Medicare

North Dakota Insurance Department
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North Dakota Insurance Department
Safeguarding Promises. Fostering Fairness.
Jon Godfread, Commissioner

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January 19, 2023

Analysis of LC 23.0532.01000 Relating to Diabetes Drugs and Supplies

Prepared for the North Dakota Legislative Council
Pursuant to North Dakota Century Code 54-03-28

Amanda Rocha
Richard Cadwell, ASA, MAAA
Donna Novak, FCA, ASA, MAAA

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NovaRest
ACTUARIAL CONSULTING

Table of Contents

I. Evaluation of Proposed Mandated Health Insurance Services

The North Dakota Legislative Council (NDLC) was asked to perform a cost benefit analysis of LC 23.0532.01000 (Draft Bill) for the standing Legislative Assembly pursuant to the North Dakota Century Code (NDCC) 54-03-28. This Draft Bill creates and enacts section 26.1-36-09.16, amends and reenacts 26.1-36.6-03 of the NDCC, provides for an application; provides an effective date; and declares an emergency. This Draft Bill proposes coverage for cost sharing for a 30-day supply of:

A. Prescribed insulin drugs which may not exceed twenty-five ($25) dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs, where insulin includes the following categories:
    a. Rapid-acting insulin
    b. Short-acting insulin
    c. Intermediate-acting insulin
    d. Long-acting insulin
    e. Premixed insulin product
    f. Premixed insulin/GLP-1 RA product
    g. Concentrated human regular insulin

B. Prescribed medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five ($25) dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.
    a. Blood glucose meters
    b. Blood glucose test strips
    c. Lancing devices and lancets
    d. Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips
    e. Glocagon, injectable or nasal forms
    f. Insulin pen needles
    g. Insulin syringes

NovaRest, Inc. has been contracted as the NDLC's consulting actuary, and has prepared the following evaluation of diabetes drugs and supply coverage.

This report includes information from several sources to provide more than one perspective on the proposed mandate to provide a totally unbiased report. As a result, there may be some conflicting information within the contents. Although we only used sources that we consider credible, we do not offer any opinions regarding whether one source is more credible than another, leaving it to the reader to develop his/her conclusions.

NovaRest estimates the additional percentage impact above current diabetes drug and supply coverage on health care costs and premiums ranges from 0.2% to 0.3% on a percentage of premium basis, and $0.74 to $1.21 on a per member per month (PMPM) basis.

II. Process

NovaRest was charged with addressing the following questions regarding this proposed mandate:

- The extent to which the coverage will increase or decrease the cost of the service;
- The extent to which the coverage will increase the appropriate use of the service;
- The extent to which the coverage will increase or decrease the administrative expenses of carriers, including health maintenance organizations, or other organizations authorized to provide health benefit plans in the State, and the premium and administrative expenses of policyholders and contract holders; and
- The impact of this coverage on the total cost of health care.

NovaRest reviewed literature (including reports completed for other states that were either considering or have passed similar legislation) and developed an independent estimate of the proposed mandate's impact on premiums.

III. Coverage for Diabetes Drugs and Supplies

Prevalence of Coverage

This Draft Bill would not add new benefits or services, but instead would limit member cost sharing for the insulin and supplies mentioned above.

There are approximately 54,372 people in North Dakota with diagnosed diabetes,[1] approximately 31% of those diagnosed use insulin.[2] The Draft Bill would only impact the North Dakota Public Employees Retirement System (NDPERS) plans, which enrolls approximately 8% of the North Dakota Population.[3] We estimate over 2,000 NDPERS members would receive lower cost insulin and insulin supplies because of the Draft Bill.

State Employee Retiree Group Health Insurance

NDPERS currently includes coverage for the following diabetic supplies when medically necessary:[4]

- Insulin
- Blood glucose test strips
- Glucagon
- Glucometers
- Glucose Agents
- Lancets and lancet devices
- Prescribed oral agents for controlling blood sugars
- Syringes
- Urine testing strips

Coverage is also available when medically necessary for continuous Glucose Monitor, Insulin infusion devices, and insulin pumps through Durable Medical Provider.

Prescription Medications and nonprescription diabetes supplies are subject to a dispensing limit of a 100-day supply.

For members on the PPO/Basic Grandfathered and Non-Grandfathered plans, cost sharing for diabetes supplies are as follows:

- Generic - $7.50 Copayment, then a 12% member coinsurance.
- Brand - $25 Copayment, then a 25% member coinsurance.
- Non-formulary - $30 Copayment, then a 50% member coinsurance.
- Copayment Amounts do not apply to the following nonprescription diabetes supplies: syringes, lancets, blood glucose test strips, urine test products and control solutions. Coinsurance still applies.

For members on the High Deductible Health Plan, cost sharing for diabetes supplies are as follows:

- Formulary – 20% member coinsurance
- Non-formulary - 50% member coinsurance

Questions Concerning Mandated Coverage for Diabetes Drugs and Supplies

The extent to which the coverage will increase or decrease the cost of the service.

Mandating a service or product often increases the demand for that service or product, which typically increases the cost of the service, where allowed. Insurers can offset this upward pressure on price by contracting with providers and/or using managed care protocols.

Diabetic drugs and supplies are currently covered by NDPERS plans. The Draft Bill will require a 30-day supply of prescribed insulin and prescribed medical supplies for insulin which may not exceed $25. We do not believe this will impact the cost of insulin or prescribed medical supplies for insulin.

The extent to which the coverage will increase the appropriate use of the service.

A 2021 study found that 18.6% of people with type 1 diabetes and 15.8% of people with type 2 diabetes ration their insulin to save money.[5] The Draft Bill would limit member cost-sharing for insulin and insulin supplies, which we believe would increase utilization of prescribed insulin and insulin supplies. However, we do not have data to estimate this increase.

The extent to which the coverage will increase or decrease the administrative expenses of carriers, including health maintenance organizations, or other organizations authorized to provide health benefit plans in the State, and the premium and administrative expenses of policyholders and contract holders.

NDPERS plans already cover diabetic drugs and supplies. We do not expect a change in administrative expenses.

The impact of this coverage on the total cost of health care.

Changes to the cost of the service or utilization of the service would impact the total cost of health care. We do not anticipate any significant change in the cost but expect a slight increase in utilization for those cannot currently afford the cost sharing for their prescribed insulin or insulin supplies. We do not have the data to estimate this increase, but we do not believe the total cost would increase significantly. We also note this cost may be offset by savings from preventing more serious diseases. If left untreated or not treated properly, diabetes can lead to life threatening diseases such as cardiovascular disease, nerve damage (neuropathy), kidney damage (nephropathy), and eye damage (retinopathy).[6]

NovaRest Estimate

Data

- NDPERS provided the premiums, claims, membership, and age distribution in NDPERS for 2021.
- The age and gender proportions of North Dakota's population are based on the 2021 Vintage population estimates.[7]
- Information on North Dakota households is based on 2021 American Community Survey (ACS) Data.[8]

Assumptions

- There is not much information on the distribution, type(s) of insulin used, or the dosage(s), since these are prescribed on an individualized basis. For insulin, we assumed 62 units per day.[9] The cost per unit is based on GoodRx prices.[10]
- Cost of insulin supplies were based on a variety of sources.[11,12,13]
- The types of insulin used are primarily on the Brand drug tiers.[14] We therefore used the NDPERS PPO/Basic Brand cost sharing (detailed above) to determine the current member cost sharing.[15]
- 2021 membership, incurred claims and earned premiums were provided by NDPERS.
- We assume 11.3% of the NDPERS population have diabetes.[16]
- We assume 5-10% of people with diabetes are Type 1,[17] and 100% of people with Type 1 diabetes use insulin.[18]
- We assume 90-95% of people with diabetes are Type 2,[19] and 25% of people with Type 2 diabetes use insulin.[20]
- Pregnancies in North Dakota were estimated using ACS data[21] to determine the number of live births, and assuming 62% of pregnancies end in live birth.[22]
- We assume 2% to 10% of pregnancies result in gestational diabetes,[23] and 20% of these cases will use insulin.[24]

Methodology

- Using the assumptions described above, we estimated the average current member cost sharing for people who use insulin, for insulin and insulin supplies. We then estimated the member cost sharing under the proposed $25 limitation on insulin and insulin supplies. The difference would be the cost sharing dollars shifted from the members to NDPERS plans.
- Using NDPERS data and public sources, we estimated the number of members who use insulin. This was applied against the cost-sharing dollars shifted to the NDPERS plans to determine the cost impact.

Cost

NovaRest estimates the additional percentage impact above current diabetes drug and supply coverage on health care costs and premiums ranges from 0.2% to 0.3% on a percentage of premium basis, and $0.74 to $1.21 on a per member per month (PMPM) basis.

IV. Other State Diabetes Drugs and Supplies Laws[25]

There are approximately 21 states and Washington, D.C. that have passed legislation addressing the issue of capping copays for diabetes drugs and supplies. Below is a summary of that legislation.

State	Legislation
Alabama[26]	$35 cap for a 30-day supply of insulin
Colorado	$100 cap for a 30-day supply of insulin
Connecticut	$25 cap for a 30-day supply of insulin $100 per month cap for insulin-related supplies, such as test strips, BGMs, and CGMs $25 per month cap for other glucose-lowering medications
Delaware	$100 cap for a 30-day supply of insulin
Illinois	$100 cap for a 30-day supply of insulin
Kentucky	$30 cap for a 30-day supply of insulin
Maine	$35 cap for a 30-day supply of insulin
Maryland	$30 cap for a 30-day supply of insulin
Minnesota	$50 cap for a 90-day supply of insulin $35 for emergency 30-day supply of insulin
New Hampshire	$30 cap for a 30-day supply of insulin
New Mexico	$25 cap for a 30-day supply of insulin
New York	$100 cap for a 30-day supply of insulin
Oklahoma[27]	$30 cap for a 30-day supply of insulin
Oregon	$75 cap for a 30-day supply of insulin
Rhode Island	$40 cap for a 30-day supply of insulin
Texas	$25 cap for each insulin prescription per month
Utah	$30 cap for a 30-day supply of insulin
Vermont	$100 cap for a 30-day supply of insulin
Virginia	$50 cap for a 30-day supply of insulin
Washington	$100 cap for a 30-day supply of insulin
Washington, D.C.	$30 cap for a 30-day supply of insulin
West Virginia	$100 cap for a 30-day supply of insulin

V.Limitations

NovaRest has prepared this report in conformity with its intended use by persons technically competent to evaluate our estimate regarding this Draft Bill. Any judgments as to the data contained in the report or conclusions about the ramifications of that data should be made only after reviewing the report in its entirety, as the conclusions reached by review of a section or sections on an isolated basis may be incorrect. Appropriate staff is available to explain and/or clarify any matter presented herein. It is assumed that any user of this report will seek such explanations as to any matter in question.

NovaRest did not have access to actual insurer claims data by service type or reimbursement rates. NovaRest has developed projections in conformity with what we believe to be the current and proposed operating environments and are based on best estimates of future experience within such environments. It should be recognized that actual future results may vary from those projected in this report. Factors that may cause the actual results to vary from the projected include new insurance regulations, differences in implementation of the required coverage by NDPERS, changes in medical treatments and practices, accounting practices, changes in federal and/or local taxation, external economic factors such as inflation rates, investment yields and ratings, and inherent potential for normal random fluctuations in experience.

VI. Reliance and Qualifications

We are providing this report to you solely to communicate our findings and analysis of this Draft Bill. The reliance of parties other than the North Dakota Legislative Council (NDLC) on any aspect of our work is not authorized by us and is done at their own risk.

To arrive at our estimate, we made use of information provided by NDPERS and other public sources. We did not perform an independent investigation or verification. If this information was in any way inaccurate, incomplete, or out of date, the findings and conclusions in this report may require revision.

This memorandum has been prepared in conformity with the applicable Actuarial Standards of Practice.

We have no conflicts of interest in performing this review and providing this report.

We are members of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. We meet the Qualification Standards promulgated by these professional organizations to perform the analyses and opine upon the results presented in this Actuarial Report.

Appendix A: Definitions

a) "Insulin drug" means prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:

1) Rapid-acting insulin
2) Short-acting insulin
3) Intermediate-acting insulin
4) Long-acting insulin
5) Premixed insulin product
6) Premixed insulin/GLP-1 RA product
7) Concentrated human regular insulin

b) "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:

1) Blood glucose meters
2) Blood glucose strips
3) Lancing devices and lancets
4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone test strips
5) Glucagon, injectable or nasal forms
6) Insulin pen needles
7) Insulin syringes

c) "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a covered individual's prescriptions.

d) "Policy" means accident and health insurance policy, contract, or evidence of coverage on a group, individual, blanket, franchise, or association basis.

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[1] https://diabetes.org/sites/default/files/2021-10/ADV_2021_State_Fact_sheets_North%20Dakota.pdf
[2] https://www.cdc.gov/diabetes/data/statistics-report/diagnosed-undiagnosed-diabetes.html
[3] 2021 NDPERS enrollment provided by NDPERS compared to "Annual Estimates of the Resident Population by Single Year of Age and Sex for North Dakota: April 1, 2020 to July 1, 2021 (SC-EST2021-SYASEX-23)". U.S. Census Bureau, Population Division. June 2022.
[4] https://www.ndpers.nd.gov/active-members/insurance-plans-active-members
[5] About the authors Andrew Briskin, et al. "Insulin: No More Rationing." DiaTribe, 14 Nov. 2022, https://diatribe.org/insulin-no-more-rationing.

[6] "Diabetes." Mayo Clinic, Mayo Foundation for Medical Education and Research, 7 Dec. 2022, https://www.mayoclinic.org/diseases-conditions/diabetes/symptoms-causes/syc-20371444.
[7] "Annual Estimates of the Resident Population by Single Year of Age and Sex for North Dakota: April 1, 2020 to July 1, 2021 (SC-EST2021-SYASEX-23)". U.S. Census Bureau, Population Division. June 2022.
[8] "2021 ACS 1-year Estimates Detailed Tables: Coupled Households by Type in North Dakota." United States Census Bureau.
[9] https://www.americanactionforum.org/research/insulin-cost-and-pricing-trends/
[10] https://www.goodrx.com/healthcare-access/research/how-much-does-insulin-cost-compare-brands
[11] https://health.costhelper.com/glucose-meter.html#:~:text=Typical%20costs%3A,on%20the%20meter's%20extra%20features.
[12] https://www.goodrx.com/glucagon?dosage=amphastar-of-1mg&form=kit&label_override=glucagon&quantity=1&sort_type=popularity
[13] https://www.healthline.com/health/type-2-diabetes/insulin-prices-pumps-pens-syringes
[14] https://www.healthline.com/diabetesmine/why-is-there-no-generic-insulin
[15] https://www.ndpers.nd.gov/active-members/insurance-plans-active-members
[16] https://www.cdc.gov/diabetes/data/statistics-report/diagnosed-undiagnosed-diabetes.html
[17] https://www.cdc.gov/diabetes/basics/what-is-type-1-diabetes.html
[18] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4714726/
[19] https://www.cdc.gov/diabetes/basics/type2.html
[20] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4714726/
[21] "2021 ACS 1-year Estimates Detailed Tables: Coupled Households by Type in North Dakota." United States Census Bureau.
[22] https://www.cdc.gov/nchs/pressroom/99facts/pregrate.htm#:~:text=This%20means%20that%2062%20percent,in%20a%20miscarriage%20or%20stillbirth.
[23] https://www.cdc.gov/diabetes/basics/gestational.html
[24] https://www.tommys.org/pregnancy-information/pregnancy-complications/gestational-diabetes/taking-medication-and-insulin-gestational-diabetes
[25] Norris, Louise. "State and Federal Programs to Cap Insulin out-of-Pocket Costs." Verywell Health, https://www.verywellhealth.com/programs-to-cap-insulin-costs-5667166#:~:text=Oregon%20governor%20and%20legislature%20pass,American%20Diabetes%20Association.
[26] ByStaff. "Sewell Votes to Cap Monthly Insulin Copay Costs at $35." Alabama Political Reporter, 1 Apr. 2022, https://www.alreporter.com/2022/04/01/congresswoman-sewell-votes-to-cap-monthly-insulin-costs-at-35/#:~:text=Beginning%20in%202023%2C%20the%20bill,of%20a%20plan's%20negotiated%20price.
[27] KFOR.com Oklahoma City. "New Oklahoma Law Capping Insulin Co-Pays Goes into Effect, Advocates Say It's a Good Start." KFOR.com Oklahoma City, KFOR.com Oklahoma City, 2 Nov. 2021, https://kfor.com/news/new-law-capping-insulin-co-pays-goes-into-effect-advocates-say-its-a-good-start/.

From: Lee, Judy E.
To: -Grp-NDLA Senate Human Services; Lahr, Pat; Wolf, Sheldon
Subject: FW: 2140 - Response on Insulin Supplies
Date: Wednesday, January 18, 2023 9:19:22 PM
Attachments: image001.png

Sheldon –
Please load in testimony for 2140.

Senator Judy Lee
1822 Brentwood Court
West Fargo, ND 58078
Home phone: 701-282-6512
Email: jlee@ndlegis.gov

From: Megan Houn <Megan.Houn@bcbsnd.com>
Sent: Wednesday, January 18, 2023 2:14 PM
To: Lee, Judy E. <jlee@ndlegis.gov>
Cc: Roers, Kristin <kroers@ndlegis.gov>
Subject: 2140 - Response on Insulin Supplies

Hi –

In response to Senator Roers' question on diabetic supplies, the highlighted items are included on the preventive drug list:

Medical supply products:

1. Blood glucose meters; (2) Blood glucose test strips; (3) Lancing devices and lancets; (4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips; (5) Glucagon, injectable or nasal forms; (6) Insulin pen needles; and (7) Insulin syringes.

We are checking how ketone testing supplies are covered and blood glucose monitors are not included as they are generally offered free of charge from the manufacturer (our Customer Contact Center also has free member codes that can be provided to members and pharmacies).

One amendment I would suggest, if the formulary isn't reinstated, is to replace "prescribed insulin drug" with "covered insulin drug". Reinstating the formulary, however, is the best and most fiscally sound option. The way that it is currently written in Senator Mathern's amendment, Section 3, subsection 5 eliminates the prohibition on having a formulary but it is replaced with a limitation on cost-sharing for diabetes medications and supplies, which could create a mental health parity issue for health insurance carriers and the only solution to this is to remove cost-sharing from other categories of prescription medications across the board. I assume this will have a significant cost impact. Last night in the Employee Benefits Committee, there was a specific bill (HB 1413) that aimed to do this and it cost PERS alone over $18M.

Please let me know if I can be helpful with anything else.

Kind regards,
Megan

Megan Houn
Vice President, Government Affairs and Public Policy
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Memo

Date: January 24, 2023

To: Scott Miller
Executive Director, North Dakota Public Employees Retirement System

From: Tim Egan & Dan Plante & Drew Rasmussen, Deloitte Consulting LLP

Subject: **ACTUARIAL REVIEW OF PROPOSED SENATE BILL NO. 2140**

The following summarizes our review of the proposed legislation as it relates to the financial impact on the uniform group insurance program administered by NDPERS as well as other considerations that may contribute to the evaluation of the legislation.

OVERVIEW OF PROPOSED BILL

The proposed bill would create section 26.1-36-09.16 of the North Dakota Century Code, relating to health insurance coverage of diabetes drugs and supplies. The legislation does the following:

- defines "insulin drug" and "medical supplies for insulin dosing and administration" (page 1, lines 12-23 and page 2, lines 1-14)
- provides a $25 member cost-share limit per thirty-day supply of insulin drugs and medical supplies for insulin dosing and administration (page 2, lines 23-30 and page 3, lines 1-6)
- restricts the use of a formulary to determine coverage of an insulin drug or medical supplies for insulin dosing and administration (page 3, lines 7-8)
- clarifies that cost-sharing is not limited on an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor (page 3, lines 9-15)

ESTIMATED FINANCIAL IMPACT

The primary components of the proposed bill that will have a financial impact on the uniform group insurance program are the imposed $25 limit on member cost-sharing for insulin and insulin supplies and the restriction from use of a drug formulary to determine what types of insulin and supplies are covered under the plan.

The uniform group insurance program requires members to pay a copay and coinsurance for insulin. Depending on the cost of the insulin prescribed and/or the cost of the supplies purchased, the member cost-share can exceed the proposed $25 limit. Therefore, imposing this limit will shift cost from members to the plan.

Using 12 months of NDPERS claims data from September 2021 through August 2022, Sanford Health Plan estimated that a $25 per month limit on member cost share would have shifted $445,000 from the member to the uniform group insurance program in that period. Assuming prescription drug trend of 10% per year, the cost in the 2023-2025 biennium is estimated to be approximately $1,100,000. The estimate does not assume changes to drug mix or formulary changes that could impact member out-of-pocket payments (pharmacy benefit managers typically update their formularies at least twice per year).

Prescription drug formularies help to manage cost by providing health insurers and prescription benefit managers a tool to negotiate favorable pricing and rebates from drug manufacturers in exchange for coverage on the formulary or preferred placement in the formulary.

Insulin, in particular, is a therapeutic category that typically is associated with high discounts and rebates. A study published by Milliman in 2021 demonstrated how insulin pricing has changed between 2007 and 2021[1]. The study showed that the average gross cost (defined as the list price or wholesale acquisition cost) per insulin patient per year was $1,597 in 2007 while the net revenue earned by manufacturers, after discounts and rebates, was $1,319 per insulin patient per year, a $278 difference (17%). In 2021 the gross price had increased to $6,429 per insulin patient per year while the net revenue fell to $1,055 per insulin patient per year, a $5,372 difference (84%). The Milliman study shows that gross prices on insulin have increased over 300% between 2007 and 2021 while net revenue has decreased 20%, which suggests that insulin rebates have ballooned over the same time period.

Eliminating use of a formulary for insulin reduces the rebates and pricing concessions that health insurers are able to derive from negotiating formulary placement with the manufacturers. Sanford Health Plan estimates that including all insulin products and supplies for coverage on the formulary would have reduced drug rebates in the September 2021 to August 2022 period by approximately $3,700,000 to $4,000,000. Assuming rebates trend at the same rate as drug cost increases, 10% per year, the impact to the 2023-2025 biennium could be between $9,400,000 and $10,200,000 in rebate reductions by eliminating a formulary for insulin.

Combining the estimated cost of capping the out-of-pocket amount at $25 per month and the rebate reduction estimate from eliminating a formulary for insulin has the effect of increasing the premium in the uniform group insurance program 1.5%-1.6% in the 2023-2025 biennium.

Clinical outcomes associated with lowering member out-of-pocket costs on insulin drugs and medical supplies for insulin dosing and administration may have a favorable impact on the uniform group insurance program, but such effects are difficult to quantify. If insulin and supplies are more affordable, member adherence may increase and result in fewer adverse health effects that result in significant expenditures to the plan such as increased doctor and emergency department visits and prolonged hospitalization.

Source:

1. Analysis of Insulin Competition and Costs in the United States, Milliman, 2021.

To Whom It May Concern,

I am a mother of a child with type 1 diabetes who was diagnosed at the age of six. Type 1 diabetes is an autoimmune condition that requires daily insulin via an insulin pump or multiple daily injections to live. Death occurs without insulin. Insulin was developed approximately 100 years ago, and since then, the cost of insulin has astronomically increased. This has made a lifesaving medication unaffordable for many North Dakotans, such as my family. I purchased insulin in January, and with NDPERS insurance, the out-of-pocket cost was $254. I am very concerned about how my son will pay for his insulin as an adult. My son, who is 11 now, is also worried about paying for his insulin as he knows he cannot live without it.

I strongly recommend and support a cap for out-of-pocket costs for insulin. Insulin is the only treatment for type 1 diabetes. Without insulin, my son cannot live.

Sincerely,

Your concerned North Dakota citizen and mother of a child with type 1 diabetes

Stacey Poffenberger

3/1/23 **SB 2140 – In Favor** **Brenda Stallman**
House Human Services Committee **Hillsboro, ND**

Hello, Chairman Weisz & Members of the House Human Services Committee.

My name is Brenda Stallman and I am the administrator of Traill District Health Unit.

I am providing testimony in support of SB 2140. Over 8% of ND's population has a known diagnosis of diabetes. No one facing the day-to-day struggles of keeping blood sugar levels at an optimal level that prevents sickness and life-altering complications should first have to choose between paying their utility/rent bills or paying for insulin. No parent should have to choose between feeding their family or monitoring their child's blood sugar level. These scenarios are real.

I know people who do have diabetic children and they are not only burdened with the current cost of life-dependent insulin and blood sugar monitoring supplies, but they also face the realistic danger that their children will be unable to pay for these items themselves when they are no longer covered by their parents' insurance.

Are you aware that some of the most used forms of insulin cost 10 times more in the United States than in any other developed county? I am grateful that newly passed federal legislation caps insulin costs for Medicare beneficiaries and millions of seniors will no longer have to decide between purchasing life-saving medication and putting food on the table.

We can do better by helping North Dakotans dependent on insulin and diabetic monitoring supplies by establishing caps on insulin costs passed on by insurance providers. Other states, including but not limited to, Colorado, Illinois, Maine, New Mexico, New York, Utah, Washington, and West Virginia have taken important steps in capping insulin costs for insured individuals.

I thank you for considering SB 2140 that can have significant impact on the quality of life, lowered risk for debilitating complications, and improved life expectancy for our diabetic citizens.

SB2140
House Human Services Committee
Representative Weiss Chair

Chairman Weiss and Members of the Committee,

My name is Donene Feist and I am the Director for Family Voices of North Dakota. Our work as you know, includes working with families who have children and youth with disabilities and chronic health conditions.

We stand today in support of SB2140. We hear from families on a regular basis, medical treatment for insulin dependent diabetics skyrocketing in price making it most difficult and often inaccessible with the best of health insurance for many across North Dakota and the country.

It is the one medication with a 100% success rate in managing their chronic illness. Families have little to no choice. For some it may mean putting milk on the table to feed the family or pay for medication. Their children and youth simply cannot go without.

Since 1990 the cost of insulin has risen 1200%. This is not a choice for families. Many families have more than one child/youth who have a diabetes diagnosis. Children with diabetes visited the emergency room 2.5 times more often than children without it. Acute inpatient services were used nearly five times more often.

We continue to support the original proposal of making a monthly co-payment cap of $25 for insulin and an additional $25 co-payment cap for diabetes supplies for the patients who utilize insulin for their diabetes management.

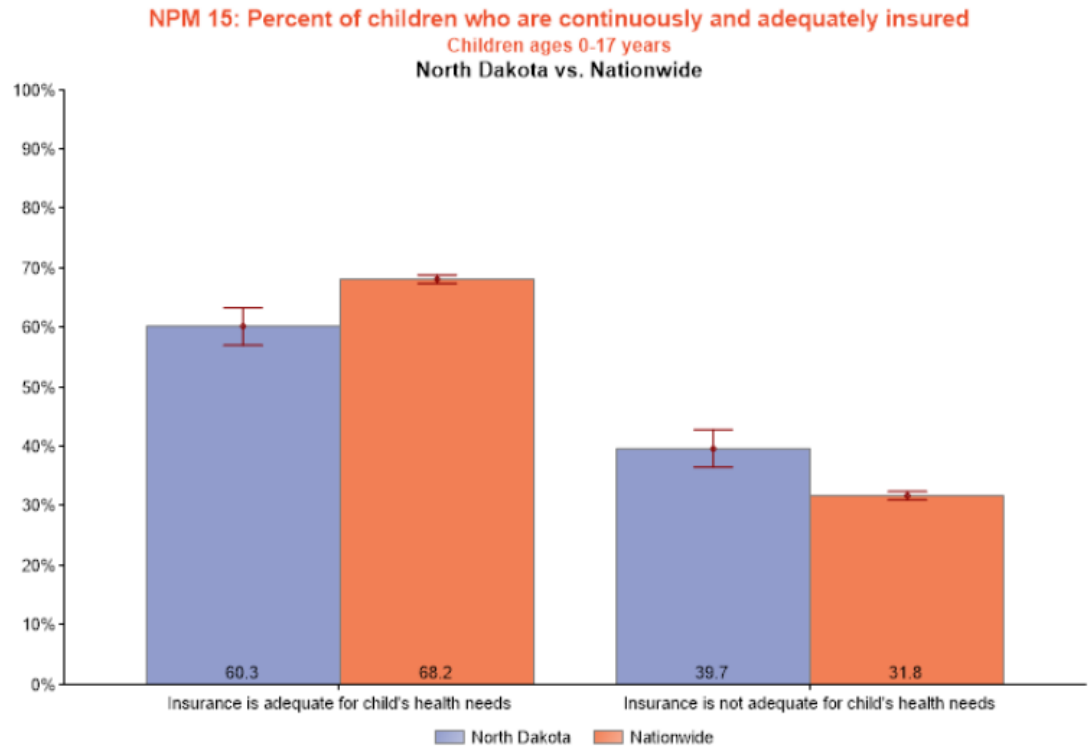
While the federal government as you know passed legislation, it only addressed those on Medicare. Addressing this immediate need or the supply chain itself will address ensure affordability and accessibility for all North Dakotans. My fear for families is what happens, if they become unable to pay for this life sustaining medication. I cannot bear the thought.

Additionally, since this was heard last session, I have been diagnosed with diabetes myself and understand fully the cost that this disease incurs.

I would also like this committee to consider going back to the original proposal to make this happen for all North Dakota citizens, not just those on the PERS plan. I am grateful for Eli Lilly for making price cuts, meanwhile other companies are dragging their feet. This bill is one that literally could save a life.

Additionally, I would like to point out some data for North Dakota. Included is a table of how ND compares to the rest of the nation in having adequate insurance coverage for our children. Nearly 40% of children have coverage that does not meet their needs.

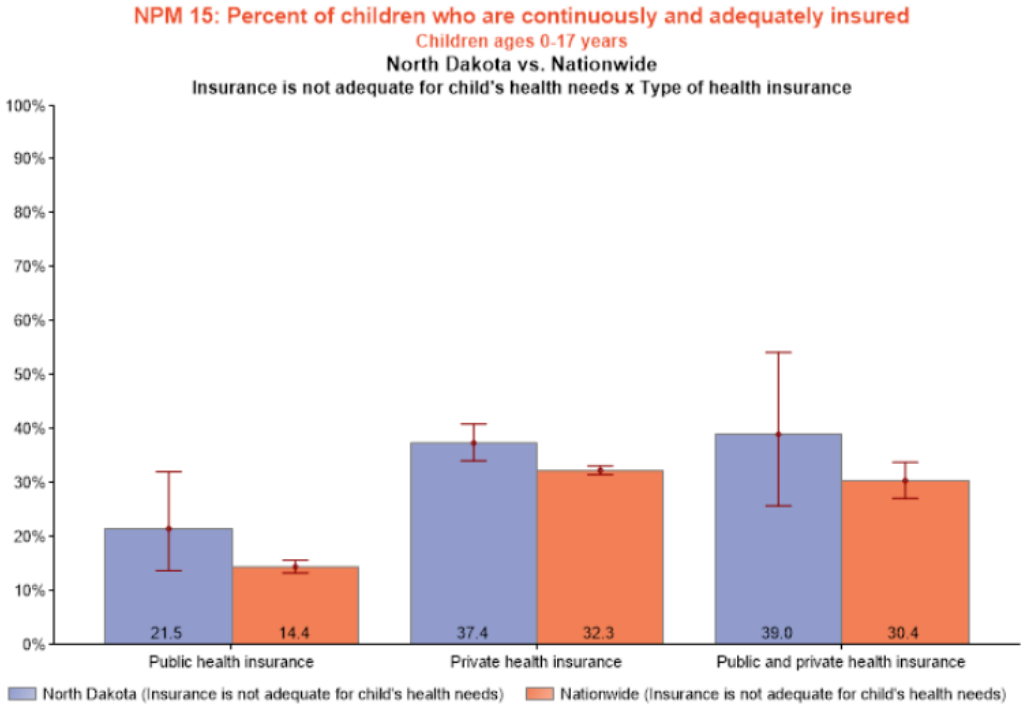
I share this because I feel it is important to begin to address the gaps that continue and request that we collectively address why this gaps are happening, what we will do to address them to improve the health needs of ND children.



Data Source: National Survey of Children's Health, Health Resources and Services Administration, Maternal and Child Health Bureau. https://mchb.hrsa.gov/data/national-surveys

Citation: Child and Adolescent Health Measurement Initiative. 2020-2021 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent H supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved [mm/dd/yy] from [www.childhealthdata.org].

DATA ALERT: Children who are covered only by the Indian Health Service or a health care sharing ministry are considered as "currently uninsured".



Data Source: National Survey of Children's Health, Health Resources and Services Administration, Maternal and Child Health Bureau. https://mchb.hrsa.gov/data/national-surveys

Citation: Child and Adolescent Health Measurement Initiative. 2020-2021 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved [mm/dd/yy] from [www.childhealthdata.org].

Please pass SB2140, let's protect not just our children and youth with diabetes but all who are affected by this disease.

Donene Feist
Family Voices of ND
701-493-2634
fvnd@drtel.net

To the Members of the House Human Services Committee:

I am writing in support of SB2140.

I have two nephews with Type 1 Diabetes. One was diagnosed at age 6 (now 11) and one at age 12 (now 14). Living with diabetes is challenging not only for them, but also for their families.

The high cost of insulin, needed for them to live, adds a financial burden that many families are unable to afford. This financial burden will follow my nephews into adulthood, and throughout their lives.

I strongly support a cap for out-of-pocket insulin. Passage of SB2140 would be a first step in securing cost relief for insulin for all North Dakotans.

Sheryl Pfliger

March 5, 2023

To the members of the Human Services Committee:

As a constituent and registered voter and a great aunt to two great nephews with Type I diabetes, I am writing in support of SB2140 relating to public employee insulin drug and supplies benefits.

Diabetes is a life sentence which no adult/child deserves so we need to do everything we can to make sure they have access to affordable life saving medication (insulin) so that every person can lead a normal life.

Families/parents should not be forced to choose between life essentials such as food and shelter and life saving insulin. With your support of SB2140, they will not need to make that choice. Furthermore, with the help of insulin therapy to manage their diabetes, my great nephews will have the opportunity to live long, healthy and productive lives.

Thank you for your support of SB2140 and your dedication to making North Dakota a better place to live.

Sincerely,

Arlyce Schulte

My name is Nina Kritzberger and I am the daughter of Angela and Peter Kritzberger. I am 14 years old, and I go to school at Hillsboro High School. I was diagnosed with Type One diabetes in 2016 at the age of 7. I was a little kid playing tee ball one summer but one day something changed. We went to our local clinic to see what was going on. I was drinking a lot of water and going to the bathroom frequently. I had lost over 20 pounds. I was eating and my diet had not changed but I was slowly losing energy and felt tired all the time. It took a few trips to the doctor to find out what was wrong. I was terrified when they said I had Type One diabetes because as a 7-year-old I had never heard of it and didn't know what it was. I slowly learned about the new disease that I had just gotten diagnosed with and I learned how to give myself my own shot after 2 days. I had to prick my finger to test every time I ate and many other times to see if my blood sugar was in range. I had to take shots every night before I went to bed and every time I ate food.

Type 1 Diabetes can be partly genetic and it could also not be. I would like to ask why should I have to pay the awfully high prices of insulin so I can manage the disease that I couldn't help getting. On the average day I use 65 units of insulin a day. I am a very active 14-year-old and I enjoy participating in my school's extracurriculars and sports. One day I'm hoping to explore the world and learn about the cultures of other places and meet great people. I truly want to make a difference and I want my story to be known.

When I first learned the outrageous price of insulin I was furious. As a 6th grader I was so upset I was determined to spread awareness about this disease and all of the little secrets that lie between the lines. I call insulin liquid gold because it truly is because of how highly priced it is you might as well call it that. I have had diabetes now for almost 7 years and I've learned a lot about the disease and the things that connect with this disease. One of those connections to my disease is this insulin bill.

On January 23, 1923 Banting, Collip and Best patented insulin and sold it for one dollar. They believed that insulin should be accessible to anyone that needed it to survive diabetes. Approximately 54,000 people in North Dakota live with some sort of diabetes. I am asking you why people have to pay such outrageous prices for something that helps them live. It's like saying that I'm going to make you pay for oxygen, because I want to take advantage of the people that breathe it and make them pay for something that is necessary for something that all of us need to survive.

I don’t want to remember this bill because I lost a friend to it or a family member. I want to remember this bill so that I can know that my fellow North Dakotans like me are going to be safe and not have to ration their insulin just so that they can live and provide for their family. I fear the day that I age out of my parent’s health insurance at the age of 26. I dream of teaching kids in my future, but will I have one if I can't afford insulin? I will continue to keep fighting and spreading awareness about the disease - if I don't fight who will?

As a 14-year-old living with type one diabetes, there is one thing in the back of my mind that I think about every day. If this bill doesn’t pass, I might not be here in the future and maybe I’ll just become one of the many that have died because they couldn’t afford the high prices of insulin. My future depends on this bill.

Thank you for your time.

Nina Kritzberger
Hillsboro, ND
Type One diabetic

My name is Ali Kritzberger. I am eighteen-years-old, daughter of Pete and Angela Kritzberger, and sister to Nina Kritzberger, a type one diabetic. I am writing in favor of SB2140. As an eleven-year-old I wasn't fond of my seven-year-old energetic little sister, but as that year went by she slowly changed. She became quiet, skinny, and ill looking. She went to the doctor several times and nothing seemed to change and no clear diagnosis was given after getting tested for anything that could possibly be wrong. At her last visit, they finally did a blood panel to check for other serious issues. My mom got a phone call from our good friend and health care provider. She said she was driving out to our house because she wanted to give the news to my parents in person and that Nina's life would be changed forever. When she got to the house she sat closely to my mom and talked in a hush tone, so that the rest of us wouldn't hear. She told us that Nina would have to be brought straight to the hospital in Fargo because her blood sugar was 600, when it was supposed to be in the range of 80-120. I watched as my parents quickly grabbed Nina and put her in the car. Not sure what was going on I panicked and patiently waited for my parents to get home.

When mom, dad and Nina came home, they spread a large bag of medical supplies across our kitchen table. My mom explained that Nina was diagnosed with Type 1 Diabetes and that there was no cure. I learned that she would have to deal with this the rest of her life. I watched as my baby sister screamed from having to prick her finger and take shots multiple times a day. We were lucky because they were able to catch Nina's type one diabetes diagnosis before she slipped int a deadly a coma. Nina got the insulin that was needed to survive. It took several days, but after she had started taking insulin, I saw my sister's personality come back to life. She was able to do the things she loved and be a kid again.

A lot of people don't have that choice though. The price of insulin limits the population of diabetics that can live comfortably or even live at all. People are forced to ration their insulin and always have the thought in the back of their mind. How much can I eat? How long will this insulin last me?

Please vote in favor of SB2140 because it could change the lives of so many in North Dakota. T

Thank you

Ali Kritzberger
Sister to a Type One diabetic
Hillsboro, ND

American Diabetes Association®
Connected for Life

March 7, 2023

Dear Chair Weisz and Committee Members,

On behalf of the American Diabetes Association (ADA) please accept my thanks and support for Senate Bill 2140 (SB 2140) to limit out-of-pocket monthly spending on insulin and diabetes supplies.

Diabetes is an epidemic in the United States and the cost of managing it can be unsustainable. There are 54,372 people in North Dakota who have been diagnosed with diabetes, or 9.1% of the adult population.[1] People with diabetes have medical expenses approximately 2.3 times higher than those who do not. In North Dakota, the total direct medical expense for diagnosed diabetes was estimated to be $471 million in 2017 and an additional $109 million was spent on indirect costs from lost productivity. When people with diabetes are unable to manage the disease and access the insulin they need it increases the risk of developing additional costly and burdensome complications including heart disease, kidney failure, and amputations.

As it stands, 22 states and the District of Columbia have passed laws to limit out-of-pocket monthly spending for insulin and as of January 1, 2023, all Medicare beneficiaries will have their out-of-pocket monthly spending for insulin capped at $35. Between 2002 and 2013 the cost of insulin nearly tripled[2]. When people cannot afford the medication necessary to manage their diabetes, they scale back or forego the care they need to manage their health or are forced to choose between paying for their medication or rent, utilities, and other necessities.

In 2019, BlueCross BlueShield of Minnesota announced that they would offer insulin to members with a $0 co-pay[3]. Following Colorado's legislation, the Colorado Sun reviewed documents from the 21 health plans and found that limiting out-of-pocket monthly spending on insulin either did not impact premiums or if they did, it was described as negligible[4]. Similar studies and fiscal analysis conducted in other states had similar findings. This legislation offers a solution to ensure that people with diabetes can afford the medication they need to live. I respectfully ask that you support SB 2140.

If you have questions, please don't hesitate to contact me at ckemp@diabetes.org.
Sincerely,

Carissa Kemp
Director of State Government Affairs and Advocacy
American Diabetes Association

[1] Microsoft Word - ADV_2021_State_Fact_sheets_all_rev_1.27.docx (diabetes.org)
[2] Insulin and Drug Affordability | ADA (diabetes.org)
[3] Blue Cross and Blue Shield of Minnesota to Cover Insulin Costs at No Charge Next Year | Blue Cross MN
[4] Critics worried Colorado's new law capping insulin costs would raise insurance rates. It hasn't. - The Colorado Sun

2451 Crystal Drive
Suite 900
Arlington, VA 22202

1-800-DIABETES (342-2383)

diabetes.org
@AmDiabetesAssn

Chairperson Weisz and members of the Human Service committee, my name is Angela Kritzberger and I am from Hillsboro. **I am here today to ask for your support of SB2140.**

On June 14th, 2016 our **youngest daughter, age 7, was diagnosed with Type One diabetes** (T1D). After multiple trips to the doctor, and finally running a thorough blood panel to confirm the diagnosis, the results would change ours and her life forever. Unfortunately, T1D is a genetic game of Russian roulette in our family. We don't know when or who will be diagnosed, male or female, young or old. I have experienced caring for a daughter who lives with this disease; as well as experienced the loss of life to an uncle who could not effectively manage or afford the disease.

At the time of her diagnosis, we were given a three (3) hour crash course and sent home with a glucose meter, test strips, a lancet, ketone strips, needles and a 200-page book as a resource called "Understanding Diabetes"-**the very basic supplies listed in this bill that a Type One diabetic needs to survive this potentially terminal disease.** And finally, the one thing that her body had failed to produce for her to sustain life: insulin. Enough supplies and insulin to keep her alive for three (3) days before we were thrown into the fold of a **complex healthcare system, insurance woes and a crippling financial cost for some that cannot afford to survive it.** Each and every decision made by a person living with or caring for someone with T1D is a piece of the matrix to life that ***determines the outcome of a life long lived, a life filled with health complications, or potentially an untimely death***.

Our daughter is a typical 14-year-old who looks forward to a future filled with hopes and dreams. We have relied on her pediatric endocrinologist to prescribe the most appropriate medications and best practices for her care. ***We are motivated to discover what the most effective, painless protocols and prescriptions are that will give her the best possible outcomes.*** Our daughter wears a continuous glucose monitor (CGM) and an insulin pump. **Prescribing the most effective, modern insulin to eliminate elevated and prolonged blood sugars to prevent chronic health conditions like eye, heart and kidney disease is not a luxury item decision.** I would go so far to say that if you or a loved one were diagnosed with a terminal disease, if you would settle for a treatment that was decades old? When did we start using shame for people living with diabetes for wanting to have the best outcomes for a healthy life or just to simply live without the fear of dying?

Because my husband and I are self-employed, we bear the full cost of our family's high deductible health insurance plan at a premium level of nearly $3,000 a month. We pay a $5,000 family deductible before our co-insurance shares in the cost. To date, we have nearly reached that due to just her CGM and pump supplies for the first three (3) months of this year. **Prior to our work on a similar bill in the last legislative session, we had been paying $1,100 a month for her inslun. Today, we are now paying $5.** As a result of our advocacy work, some insurance plans are starting to adjust their copays. As a result of advocacy work nationwide, 23 states and counting have already successfully passed, supported and sustained this type of legislation. Since the passing of the Alec Smith Insulin Affordability Act in Minnesota in 2021, 465 lives were saved last year. **We are not asking for North Dakota to be the first state any longer, but rather we are pleading for North Dakota to not be the last.** Let's save lives together.

We know SB2140 will directly affect thousands of lives in our state. During the **2021 legislative**

session we learned that almost **700 members filed claims for insulin under the NDPERS** system in 2020. Under the current submitted testimony, it is estimated that **over 2,000 NDPERS members would receive lower cost insulin and insulin supplies.** That is nearly ***three (3) times higher in the last two (2) years***. We know that the rate of T1D as well as other insulin dependent diabetes is showing a steep increase in diagoses. In 2022, the average for **new diagnoses of children with T1D was one child per week in the Fargo pediatric clinic that we also doctor at. In the first weeks of January 2023, that number had already tripled.**

Passing SB2140 is an important first step. I cannot sit idly by watching friends and loved ones ration their insulin while some of us have access to affordable insulin, knowing that one day soon my daughter will be "one of them". I am asking you today – what is it that you choose for thousands of North Dakotans who have been forced to pay the price of a disease they did not choose? If not me, then who? If not them, than you. Lives depend on it.

Angela Kritzberger
Hillsboro
Mother of a child living with Type One diabetes
Diabetes Advocate

Chairman Weisz and committee members. I appreciate the opportunity to testify remotely due to surgery. My name is Danelle Johnson from Horace and I am here representing myself. Our daughter, Danika was dx with T1D in 2015 and is now 21. Every day, she moves closer to the reality of inconsistent access to insulin therapy in America, and every day we worry about the loss of our current coverage that provides access now.

OUR REALITY

When you know someone forced to PAY or DIE, and they can't PAY, and so they DIE you will understand why my advocacy efforts are passionate and critical.

SB2140 would impose a price cap on insulin and basic supplies. It is similar to legislation passed by 22 states to delay onset of imminent complications from this terminal illness and avoid death by allowing people to be compliant with instructed care.

This is my third session attempt to initiate discussions, collaborate and raise awareness. Danika and I have also been federal advocates since 2019. There has not been any federal legislation, that has lowered out of pocket costs that has made it to **implementation** covering **all ages** regardless of their **insurance situation**.

You may hear and possibly believe these statements:

1) The bill won't help that many people
    a. Approximately 64,000 people are diagnosed each year with Type 1 diabetes in the US. The ND Department of Health doesn't track specific types of diabetes. Saying we aren't going to help many people is an opinion until backed by factual data. The T1D community is growing every week in ND.

2) The bill will pass costs on to others
    a. The enormous rebates from insulin used to subsidize health plan premiums and administration costs for all plan members would be lost if we didn't allow the use of formularies, which we have amended the bill to do. Costs passed on to other members has been proven by other states with insulin capping bills to be negligible at best.

3) Mandates don't work, we must allow free market

a. Insulin is not a free market, the “Big 3” insulin manufacturers have created an **oligopoly** – a market with little to no competition. With their actions absent competition, they have triggered an ongoing class action lawsuit for price fixing that was initiated in 2017.

4) Insurance companies are already doing this

When asked for details, the ND Insurance Commissioner’s Office found it to be very complex to discern which plans were offering a copay cap. They couldn’t provide documentation of exactly which plans from which ND insurers were doing so. This is not a factual statement until proven with data, it is a claim.

5) Dangerous precedent to declare this an emergency
   a. Our legislature can and does make exceptions to laws, when deemed to be in the best interest of the people. As policymakers, you have that power. There are ample resources to draw cost studies from states that have already done this. And from the ND insurance providers that claim they have already been doing this. No need to study potential impact if it is already being done.

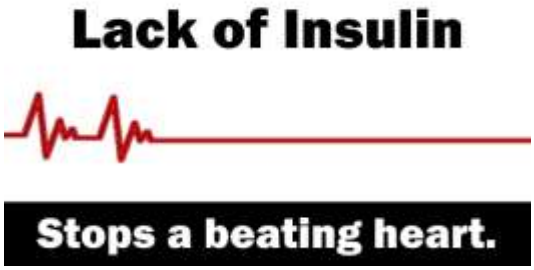
6) Businesses don’t want higher health insurance costs
   a. No one does. We all have a responsibility to educate business owners and business chambers, on tangible and non-tangible costs truthfully. Insulin therapy is 100% proven effective to sustain life and slow progression of this terminal illness. I consider this preventative with a positive ROI. Especially when the benefit is the person LIVES. Access to insulin allows for patient compliance and is a more humane than inflicting intentional suffering and hardship for the benefit of others.

7) A copay cap isn’t necessary because Insulin Manufacturers are slashing prices.
   a. Eli Lilly themselves stated, the insulin they slashed the price on this week is only used by 3 out of 10 people. All people can’t take all brands of insulin. Eli Lilly gained publicity after advocate pressure in 2019 and announced a half price version of Humalog, called Lispro. They received positive press and then do you know what happened? Pharmacies couldn’t get supplies of it, so it “existed” in theory but people couldn’t access it in reality.

I believe it is our collective duty and responsibility as leaders and advocates to find a way to effect change that will preserve health and sustain lives, even if the margin is slim as some opponents claim.

I challenge you to **CARE** enough about your **COMMUNITY**, to make a **COMMITMENT** to have the **COURAGE** to discuss these statements in the context of insulin therapy in a manipulated market, with no biosimilar option available. I encourage and welcome further discussion or you can check out a website I co-author: www.insulinrequired.life

I ask for a “DO PASS” recommendation on this bill. After all:



Respectfully,

Danelle R. Johnson

T1D Patient Advocate & T1D Mom

daryldanelle@msn.com

701-261-1687

To the Members of the House Human Services Committee:

I am writing in support of SB2140.

January 11, 2022 is a date I will remember forever. That was the day my 8-year-old son was diagnosed with type one diabetes. Being a nurse, I thought I knew how to care for diabetes. I quickly learned that it is very challenging and stressful to appropriately manage type one diabetes 24 hours a day/7 days a week. We are now a little over a year into his diagnosis with his insulin needs continuously changing and it feels as if we are on a never-ending roller coaster. This disease does not discriminate; we did not choose to have this diagnosis. Our son's life depends on insulin, and I am fearful of the day when he is unable to afford this life saving medication. As a nurse, I have seen the drastic health complications from the inability to properly manage diabetes. We need to support our North Dakota residents by capping the out-of-pocket cost of insulin which is the only treatment available to continue to live with type one diabetes. Not having access to affordable insulin will ultimately lead to a potentially preventable fatal ending.

I strongly support a cap for out-of-pocket insulin. Passage of SB2140 would be a first step in securing cost relief for insulin for all North Dakota residents.

Respectfully submitted,

Kristen Schimmel MSN, BSN, CCRN

Senate Bill 2140 – Support
March 7, 2023
House Human Services
Janelle Moos, AARP ND- jmoos@aarp.org

Chair Weisz and Members of the House Human Services Committee,

My name is Janelle Moos, Advocacy Director with AARP North Dakota. The high cost of insulin and other prescription drugs is putting life-saving medications out of reach for many North Dakotans.

AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. 84,000 of those members live in North Dakota – a staggering number when you consider the overall population of our stat

The high cost of prescription drugs hits our members, and frankly all North Dakotans. In AARP's 2020 survey of North Dakota adults, in the past two years, one-quarter reported not filling a prescription that was provided by their doctor- 44 percent of those adults- decided not to fill a prescription that their doctor had given them because of the cost of the drug. As Between 2012 and 2017, the average annual cost of prescription drug treatment increased 57.8 percent, while the annual income for North Dakotans only increased 6.7 percent.

We hear stories from North Dakotans trying the manage the high cost of medicine along with paying for other necessities like food and utilities. For example, Dennis, a diabetic, who told us about his concerns he may have to go back to work after retiring to pay for his insulin- his co-pay is about $100/month- with insurance- without insurance, his co-pay would be about $400/month.

Even though insulin has been around for almost a century, the cost of the diabetes drug has skyrocketed in recent years, nearly tripling between 2002 and 2013. And Medicare Part D spending on insulin jumped 840 percent between 2007 and 2017, from $1.4 billion to $13.3 billion, far outpacing growth in the number of beneficiaries using insulin therapy, according to a Kaiser Family Foundation analysis.

All totaled, Americans with diabetes, the majority of whom are older adults, face insulin prices that average more than $5,000 per year, some reports show. And these high prices have led a growing number of patients who rely on the lifesaving drug to resort to rationing or skipping doses because they can't afford the medication.

Placing a cap on consumer's out-of-pocket prescription drug expenses is one approach that some states are considering relieving consumer's financial burdens. States have designed outof-pocket caps in a number of ways, including applying spending limits to certain drugs only, or applying the cap to either a consumers' monthly or annual prescription drug expenditures. AARP believes that such efforts should be implemented in conjunction with other policy changes that will help reduce prescription drug prices.

We encourage the legislature to consider this bill along with other broader reforms such as prescription drug reference rate pilot project as part of the conversation to help lower the cost of prescription drugs for North Dakotans.

Thank you again for your thoughtful work on this issue. We wholeheartedly appreciate any effort to make medicine more affordable and urge you to vote in favor of SB 2140.

TESTIMONY OF SCOTT MILLER

Senate Bill 2140 – Diabetes Drug and Equipment Mandate

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding Senate Bill 2140.

This bill creates a mandate regarding health insurance plan coverage of diabetes drugs and supplies. Since it applies to the NDPERS plan first, it does appear to comply with the statutory requirement in NDCC section 54-03-28(3) that health insurance plan mandates first apply to NDPERS.

The primary components of the proposed bill that will have actuarial impacts on the PERS program are the $25 limit on member cost-sharing for insulin and insulin supplies. The PERS plan requires members to pay a copay and coinsurance for insulin. Depending on the cost of the insulin prescribed and/or the cost of the supplies purchased, the member cost-share can exceed the proposed $25 limit. Therefore, imposing this limit will shift cost from members to the plan.

Using 12 months of NDPERS claims data from September 2021 through August 2022, Sanford Health Plan estimated that a $25 per month limit on member cost share would have shifted $445,000 from the member to the uniform group insurance program in that period. Assuming prescription drug trend of 10% per year, the cost in the 2023-2025 biennium is estimated to be approximately $1,000,000 (or 0.14% increase to the projected program cost).

Clinical outcomes associated with lowering member out-of-pocket costs on insulin drugs and medical supplies for insulin dosing and administration may have a favorable impact on the uniform group insurance program, but such effects are difficult to quantify. If insulin and supplies are more affordable, member adherence may increase and result in fewer adverse health effects that result in significant expenditures to the plan such as increased doctor and emergency department visits and prolonged hospitalization.

Because the federal government already provides a similar cost limit under Medicare Part D, we propose the amendment found on the next page to exclude the Medicare Part D plan from the SB 2140 limits.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2140

Page 2, line 31, replace “The” with “Except for Medicare part D prescription drug coverage, the”

Renumber accordingly.

Dear Senator Lee and Members of the Senate Human Services Committee,

I am writing to express my support for Senate Bill 2140, capping the price of insulin. My daughter, Della, was diagnosed with type 1 diabetes in December of 2017, just weeks after turning eleven years old. I remember vividly driving her to the emergency room on a Sunday evening. We had been decorating our Christmas tree, and after seeing some concerning symptoms in the previous weeks, I decided to check her blood sugar. It was abnormally high. My sister, who also has type 1 diabetes, advised us that we should not wait until morning. We would run the risk of her going into diabetic ketoacidosis, a life-threatening complication from lack of insulin. We were lucky - we caught it before she went into DKA and my daughter was started on insulin immediately.

No one can go without insulin. Not you, not me, not my daughter. Without insulin, our cells cannot use the glucose that our body needs to survive. The difference is that a person with T1D's life depends on manufactured insulin because the beta cells no longer function in their pancreas. If they are without insulin for more than a few hours they risk DKA and death. I urge you to think about that for a moment.

As a parent of a child with T1D, I will shoulder as much of this disease for my child as she would like me to, for as long as I am able. The reality is, though, that she is now sixteen years old. In just a few years, she will age out of our insurance coverage. What then? Will she have to choose between insulin and food? Will she have to ration her insulin so that she will have enough? Will she be able to afford to live? These are questions no one should have to face. I urge you to vote yes on Senate Bill 2140. People's lives depend on this.

Sincerely,
Erin Phillips
Parent of a child with type 1 diabetes
Fargo, North Dakota

Dear Senator Lee and Members of the Senate Human Services Committee,

I am sixteen years old and writing in support of Senate Bill 2140 to put a cap on the price of insulin in North Dakota.

When a person develops type 1 diabetes, as I did when I was eleven years old, their immune system attacks insulin producing cells in the pancreas. This makes that person's body unable to use glucose, which then builds up in the bloodstream. This will lead to death if they do not give themselves insulin, through injection or a pump, every day for the rest of their lives. I would have died if not for that first insulin shot in the emergency room five years ago, and every day since.

For people with diabetes, our lives can quite literally be in the hands of the pharmacies where we get our insulin. There is no alternative medicine or treatment and no way to have prevented this disease. We should not be at the mercy of companies that set their prices enormously high, knowing we will pay it because we have no other choice.

I am lucky and my parents' insurance makes the cost of insulin manageable for our family, but recently a friend at school shared something that reminded me, again, that this isn't the case for everyone. Her uncle recently passed away from diabetic ketoacidosis. Why? Because he had type 1 diabetes and could no longe afford insulin. He rationed what he had for as long as he could, but in the end, it wasn't enough. His story is not unique. It could happen to any person with type 1 diabetes, myself included. It will continue to happen until a cap is put on the price of insulin. By supporting Senate Bill 2140, you will be protecting my future and that of many others with diabetes throughout North Dakota.

Thank you for taking the time to read this letter. I hope you will consider what I and many others have to say in support of this bill. Please follow up if you have any questions, and thank you for your attention to the issue of affordable insulin.

Sincerely,
Della Phillips

Letter of Support SB2140:

My name is:

Stuart M Libby
3110 Ithica Drive
Bismarck, ND 58503

I am interested in encouraging your support for SB2140. My grandson was diagnosed with Type 1 Diabetes at age 5. When he learned of this he asked his daddy if he would get better. That broke my heart. He will be married to Insulin for the rest of his life. He is 11 years old now and is doing well to manage his blood sugar. I would hate for him to have to choose between the cost of Insulin and whether he can afford to take the medicine. This is a vital lifeline that he cannot be without.

Please support this bill.

Respectfully,
Stuart M Libby

March 3,2023

Dear Legislators:

My name is Judith Libby. I am writing in support of Senate Bill 2140 relating to public employee's insulin drugs and supplies benefits. Diabetes affects my Husband, and my Sister. Both were diagnosed with type II Diabetes as adults. On the other end of the spectrum, my Nephew was diagnosed at age 12, and my Grandson was diagnosed at age 5 with Type I Diabetes. I remember the many tears, the sleepless nights, the shots in his arms, and the anxiety, fear, uncertainty, and despair we all suffered; especially his parents suffered! It is long overdue that this bill be passed to relieve some of the hopelessness and despair this lifelong disease conveys. Many working young families struggle with the medical cost of life-giving insulin and supplies. Please, let's support them, and help them all by supporting and passing SB 2140.
Sincerely,
Judith Libby

SB 2140, Testimony in Opposition
Rick Becker, Bismarck

Mr. Chairman and members of the Human Services Committee,

I urge a Do Not Pass recommendation on SB2140, which aims to set a cap on the price of insulin and diabetic-related supplies.
Setting ceilings and floors to the price of goods is a policy typically employed by progressive, big-government-aligned elected officials, such as the Franklin Delano Roosevelt Administration which implemented numerous restrictions on not only the price of goods, but the price of labor.
The problem intended to be solved with this bill is entirely the fault of government intervention. Rather than imposing more government control, the better solution would be to remove the original offending government interventions that caused the problem to begin with.
The reason insulin is overpriced is not because pharmaceutical companies are greedy or evil (although they may be). The reasons insulin is overpriced are very clear and relatively well known. They are as follows:

- Foreign imports are restricted/prohibited, thereby reducing the competitive market which drives prices down.
- Alternatives to the newest type of insulin are prohibited, again reducing competition in the marketplace. Although alternatives may be like choosing a 4-star hotel instead of a 5-star hotel, they would be a great option for those that are cost-conscious.
- Ridiculous FDA restrictions and regulations force pharmaceutical companies to undergo what is commonly a 12 year and 2.7 billion dollar effort to get their drug to market. This forces higher prices initially to recoup costs, and provides a barrier to market entry from smaller companies, again reducing the possibility of real market competition.
- Tenuous schemes to make the patent protection continue nearly indefinitely, called “Evergreening” can be prohibited.
- The revolving door of FDA personnel, lobbyists, and big pharma needs to end.
- The ability of big pharma to file frivolous lawsuits against smaller companies to prevent them from entering the market can be prohibited.

All of the above items are likely outside of the purview of state government, unfortunately.
This is a situation in which the state needs to recognize that this is a Federal issue, and that “doing something” is not better than doing nothing. Especially when that something is just another layer of well-intentioned, but bad legislation.

Additionally, I think this is becoming a moot point. I refer you to the attached article dated March 1, 2023.

Please kill this bill.

-Rick Becker

(CNN) — Eli Lilly announced Wednesday a series of price cuts that would lower the price of the most commonly used forms of its insulin 70% and said it will automatically cap out-of-pocket insulin costs at $35 for people who have private insurance and use participating pharmacies.

Lilly says it will also expand its Insulin Value Program, which caps out-of-pocket costs at $35 or less per month for people who are uninsured.

President Joe Biden heralded the announcement as “a big deal.”

“For far too long, American families have been crushed by drug costs many times higher than what people in other countries are charged for the same prescriptions. Insulin costs less than $10 to make, but Americans are sometimes forced to pay over $300 for it. It’s flat wrong,” Biden said in a statement on Wednesday.

The President also urged other pharmaceutical companies to cut insulin prices.

“Last year, I signed a law to cap insulin at $35 for seniors and I called on pharma companies to bring prices down for everyone on their own. Today, Eli Lilly did that. It’s a big deal, and it’s time for other manufacturers to follow,” Biden said.

Eli Lilly says it will cut the list price of its nonbranded insulin to $25 a vial as of May 1, making it the lowest list-priced mealtime insulin available. Its current list price is $82.41 for a vial.

RELATED ARTICLE
1.3 million Americans with diabetes rationed insulin in the past year, study finds

Lilly will also lower the list price of Humulin and its most commonly prescribed insulin, Humalog, in the fourth quarter of 2023. The current list price of a Humalog vial is $274.70, and the new list price will be $66.40. For people with commercial insurance who use participating pharmacies, the out-of-pocket costs will now be capped at $35.

Although insulin is relatively inexpensive to manufacture, the cost has been a problem for many Americans for years. At least 16.5% of people in the US who use it report rationing it because of cost.

March 1, 2023

For Release: Immediately
Refer to: Anne Gill; anne.gill@lilly.com; 317-999-7402 (Media)
Joe Fletcher; jfletcher@lilly.com; 317-296-2884 (Investors)

Lilly Cuts Insulin Prices by 70% and Caps Patient Insulin Out-of-Pocket Costs at $35 Per Month

INDIANAPOLIS, March 1, 2023 – Eli Lilly and Company (NYSE: LLY) today announced price reductions of 70% for its most commonly prescribed insulins and an expansion of its Insulin Value Program that caps patient out-of-pocket costs at $35 or less per month. Lilly is taking these actions to make it easier to access Lilly insulin and help Americans who may have difficulty navigating a complex healthcare system that may keep them from getting affordable insulin.

Today, Lilly is reducing the list price of insulins by:

- Cutting the list price of its non-branded insulin, Insulin Lispro Injection 100 units/mL, to $25 a vial. Effective May 1, 2023, it will be the lowest list-priced mealtime insulin available, and less than the price of a Humalog® vial in 1999.
- Cutting the list price of Humalog® (insulin lispro injection) 100 units/mL[1], Lilly's most commonly prescribed insulin, and Humulin® (insulin human) injection 100 units/mL[2] by 70%, effective in Q4 2023.
- Launching Rezvoglar™ (insulin glargine-aglr) injection, a basal insulin that is biosimilar to, and interchangeable with, Lantus® (insulin glargine) injection, for $92 per five pack of KwikPens®, a 78% discount to Lantus, effective April 1, 2023.

"While the current healthcare system provides access to insulin for most people with diabetes, it still does not provide affordable insulin for everyone and that needs to change," said David A. Ricks, Lilly's Chair and CEO. "The aggressive price cuts we're announcing today should make a real difference for Americans with diabetes. Because these price cuts will take time for the insurance and pharmacy system to implement, we are taking the additional step to immediately cap out-of-pocket costs for patients who use Lilly insulin and are not covered by the recent Medicare Part D cap."

In addition to reducing the list price of its insulins, Lilly is making it easier for more people with diabetes to get Lilly insulins:

- Effective immediately, Lilly will automatically cap out-of-pocket costs at $35 at participating retail pharmacies for people with commercial insurance using Lilly insulin.[3]
- People who don't have insurance can continue to go to InsulinAffordability.com and immediately download the Lilly Insulin Value Program savings card to receive Lilly insulins for $35 per month.

"We are driving for change in repricing older insulins, but we know that 7 out of 10 Americans don't use Lilly insulin. We are calling on policymakers, employers and others to join us in making insulin more affordable," continued Ricks. "For the past century, Lilly has focused on inventing new and improved insulins and other medicines that address the impact of diabetes and improve patient outcomes. Our work to discover new and better treatments is far from over. We won't stop until all people with diabetes are in control of their disease and can get the insulin they need."

Today's announcement builds on years of efforts by Lilly to close the gaps in the U.S. healthcare system that keep some people with diabetes from accessing affordable insulin. In recent years, Lilly has introduced multiple insulin affordability solutions that have made a real impact, including launching low-list-price, non-branded insulins in 2019, implementing the Lilly Insulin Value Program in 2020 and committing all of our insulins to the Medicare Part D Senior Savings Model in 2021. Because of these efforts, the average out-of-pocket cost for Lilly insulins has dropped to $21.80 over the last five years.

In the coming weeks, Lilly will launch a nationwide public awareness campaign to help ensure all Lilly insulin users understand how to access the company's industry-leading affordability solutions. For more information, go to Lilly.com/insulin.

PURPOSE and SAFETY SUMMARY

Important Facts About Humalog® (HU-ma-log) and Insulin Lispro Injection

- Humalog is also known as insulin lispro injection.
- Humalog and Insulin Lispro Injection are fast-acting insulins. They are used to control high blood sugar in adults and children with diabetes. They are available only with a prescription.
- Humalog comes in two strengths: U-100 (100 units per milliliter) and U-200 (200 units per milliliter). The Humalog U-200 prefilled pen contains **2 times as much insulin** per 1 milliliter as standard (U-100) insulin. The dose window on the pen shows your insulin dose.
- It is not known if Humalog or Insulin Lispro Injection are safe and effective for children with type 2 diabetes or for children younger than 3 years of age with type 1 diabetes. There were no studies done with these insulins in these groups of children. If your doctor decides to give your child one of these insulins, he or she may give you special instructions.

Important Facts about Humalog® Mix50/50™, Humalog® Mix75/25™, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25

- Humalog Mix50/50 and Humalog Mix75/25 are known as insulin lispro protamine and insulin lispro injectable suspension.
- Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 are mixed U-100 insulins. This means they contain a mix of fast-acting and intermediate-acting insulins. They are used to control high blood sugar in people with diabetes. They are available only with a prescription.
- It is not known if Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 are safe and effective for children younger than 18 years of age. There were no studies done with these insulins in children younger than 18. If your doctor decides to give your child one of these insulins, he or she may give you special instructions.

All Humalog and Insulin Lispro Injection products contain insulin lispro. Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 contain insulin lispro protamine mixed with insulin lispro.

Warnings

Do not take Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 if you have:

- symptoms of low blood sugar (hypoglycemia)
- an allergy to insulin lispro products or any of their ingredients.

Do not reuse needles or share your insulin injection supplies with other people. This includes your:

- prefilled pen for use by a single patient
- cartridges
- reusable pen that works with Lilly 3mL cartridges
- needles
- syringes

You or the other person can get a serious infection. This can happen even if you change the needle.

Do not change the type of insulin you take or your dose, unless your doctor tells you to. This could cause low or high blood sugar, which could be serious.

Do not use a syringe to remove Humalog from your prefilled pen. This can cause you to take too much insulin. Taking too much insulin can lead to severe low blood sugar. This may result in seizures or death.

Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 may cause serious side effects. Some of these can lead to death. The possible serious side effects are:

- **Low blood sugar.** This can cause:
  - dizziness or light-headedness
  - headache
  - shakiness
  - irritability
  - sweating
  - blurred vision
  - fast heartbeat
  - mood change
  - confusion
  - slurred speech
  - anxiety
  - hunger

  If you are at risk of having severely low blood sugar, your doctor may prescribe a glucagon emergency kit. These are used when your blood sugar becomes too low and you are unable to take sugar by mouth. Glucagon helps your body release sugar into your bloodstream.

- **Severe allergic reaction.**
  Get emergency help right away if you have:
  - a rash over your whole body
  - sweating
  - extreme drowsiness
  - swelling of your face, tongue, or throat
  - trouble breathing
  - a faint feeling
  - dizziness
  - a fast heartbeat
  - shortness of breath
  - confusion

- **Low potassium in your blood.** This can lead to severe breathing problems, irregular heartbeat, and death.

- **Heart failure.** Taking diabetes pills called thiazolidinediones (thIE-uh-zOH-li-dEEn-dIE-OHns), or "TZDs," with insulin lispro products may cause heart failure in some people. This includes people who do not have any heart problems. If you have heart failure, it may get worse if you take TZDs with these insulin lispro products. Tell your doctor if you have any new symptoms of heart failure, or if they get worse. Some symptoms of heart failure include: shortness of breath, swelling of ankles and feet, and sudden weight gain. Your doctor may need to change or stop treatment with TZDs and your insulin lispro product.

- **High blood sugar and ketoacidosis.** You can have these serious problems when your insulin pump or infusion set stops working. They can also happen if your insulin is no longer effective. For these reasons, always keep extra insulin injection supplies with you.

Common side effects

The most common side effects of **Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25** are:

- low blood sugar
- reactions where you have injected insulin
- swelling of your hands or feet
- itching
- allergic reactions
- changes in fat tissue where you have injected insulin
- weight gain
- rash

These are not all of the possible side effects. Tell your doctor if you have any side effects. You can report side effects at 1-800-FDA-1088 or www.fda.gov/medwatch.

Before using

Talk with your doctor about low blood sugar and how to manage it. Also tell your doctor:

- about all of the medicines you take, including over-the-counter medicines, vitamins, and herbal supplements.
- about any other prescription medicines you take, especially ones called TZDs.
- about all of your medical conditions, including if you have heart failure or other heart, liver, or kidney problems.
- if you are pregnant, breastfeeding, or plan to become pregnant or breastfeed.

How to take

Read the **Instructions for Use** that come with your **Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25**. Be sure to take your insulin lispro product and **check your blood sugar levels** exactly as your doctor tells you to. Your doctor may tell you to change your dose because of illness, increased stress, or changes in your weight, diet, or physical activity level. He or she may also tell you to change the amount or time of your dose because of other medicines or different types of insulin you take.

Before injecting your insulin lispro product

You can inject your insulin dose yourself, or you can have a trained caregiver inject it for you. Make sure you or your caregiver:

- Check the insulin label before each injection. This will help you make sure that you are taking the correct insulin.
- Use a new needle for each injection. You can get a serious infection or the wrong dose of insulin if you re-use needles.
- Change (rotate) where you inject your insulin with each dose. This can reduce your chance of getting pits, lumps, or thickened skin where you inject your insulin. **Do not** inject your insulin into the exact same spot or where the skin has pits or lumps. **Avoid** injecting into thickened, tender, bruised, scaly, hard, scarred, or damaged skin.

When you are ready to inject

- If you are taking Humalog or Insulin Lispro Injection, inject it under your skin within 15 minutes before or right after you eat a meal.
- If you are taking Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25, inject it under your skin within 15 minutes before you eat a meal.

Staying safe while taking your insulin lispro product

To stay safe while taking your insulin, be sure to **never** inject Humalog U-200, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 in your vein, muscle, or with an insulin pump. Also be sure **not to**:

- mix Humalog U-200, Humalog Mix50/50, Humalog Mix75/25, or Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25 with other insulins or liquids.
- drive or use heavy machinery until you know how your insulin lispro product affects you.
- drink alcohol or use other medicines that contain alcohol when taking your insulin lispro product.

Learn more

For more information, call 1-800-545-5979 or go to www.humalog.com or www.lillyinsulinlispro.com.

This summary provides basic information about Humalog, Insulin Lispro Injection, Humalog Mix50/50, Humalog Mix75/25, and Insulin Lispro Protamine and Insulin Lispro Injectable Suspension Mix75/25. It does not include all information known about these medicines. Read the information that comes with your prescription each time your prescription is filled. This information does not take the place of talking with your doctor. Be sure to talk to your doctor or other health care provider about your insulin lispro product and how to take it. Your doctor is the best person to help you decide if these medicines are right for you.

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INDICATION AND SAFETY SUMMARY for Humulin®

Humulin® (HUE-mu-lin) R U-500 (500 units/mL) is for adults and children who need more than 200 units of insulin in a day to control high blood sugar for their diabetes mellitus. It is more concentrated than Humulin R U-100. It has 5 times as much insulin in each mL as Humulin R U-100 (100 units/mL).

It is **not** known if Humulin R U-500 is safe and effective when used with other insulins or when used in an insulin pump.

Warnings: Humulin R U-500 may cause serious side effects, including:

- Severe low blood sugar, which can lead to seizures, unconsciousness, and death.
- Severe allergic reactions. Get medical help right away if you develop a rash over your whole body, have trouble breathing, have a fast heartbeat, or are sweating.
- Swelling of your hands and feet. Tell your doctor if you are short of breath, have swelling in your ankles, or have gained weight suddenly.

- Heart failure when taking a medication from a class of drugs called thiazolidinediones (TZDs) with Humulin R U-500. This may occur in some people even if they have not had heart problems before.
- Low potassium in your blood (hypokalemia). This can lead to severe breathing problems, irregular heartbeat, and death.

Do not share your Humulin R U-500 KwikPen® or U-500 syringe with anyone. Even if you have changed the needle, you or the other person can get a serious infection.

When using the Humulin R U-500 KwikPen: The Humulin R U-500 KwikPen is made to dial and deliver the correct dose of Humulin R U-500 insulin. **Do not** remove Humulin R U-500 from the KwikPen to inject with any syringe. This could cause severe overdose and may lead to death.

When using the Humulin R U-500 vial: There is a special syringe to measure Humulin R U-500 called the "U-500 insulin syringe." **Only** use the U-500 insulin syringe to inject Humulin R U-500. If you do not use the right syringe, you may take the wrong dose of Humulin R U-500. This could cause severe overdose and may lead to death.

Do NOT perform dose conversion when using the Humulin R U-500 KwikPen or U-500 insulin syringe.

Do not use Humulin R U-500 in an insulin pump or inject it into your vein.

Do not take this medicine if you have low blood sugar.

Do not change the insulin you use without talking to your doctor. Changing insulin may lead to low or high blood sugar.

Do not drive or use heavy machinery until you know how Humulin R U-500 affects you. Do not drink alcohol while using Humulin R U-500.

Common side effects

The most common side effects of Humulin R U-500 include:

- Low blood sugar (hypoglycemia). Talk to your doctor about low blood sugar symptoms and treatment. Symptoms may be different for each person.
- Allergic reactions, such as redness and swelling at the site where you inject.
- Skin thickening or pits at the injection site (lipodystrophy).
- Itching and rash.

These are not all the possible side effects of Humulin R U-500.

Tell your doctor if you have any side effects. **You can report side effects at 1-800-FDA-1088 or www.fda.gov/medwatch.**

Before using

Tell your doctor if you are pregnant or plan to become pregnant. Also tell your doctor about:

- Any allergies you have. Your doctor can check if the medicine has ingredients that may cause a reaction.
- Any medical conditions, including problems with your liver, kidney, or heart.
- All the medicines you take, especially a class of drugs called thiazolidinediones, or TZDs. Be sure to include the over-the-counter medicines, vitamins, and herbal supplements you take.

How to take

- Read the instructions that come with your Humulin R U-500 carefully. Take it exactly the way your doctor tells you.
- Know how much Humulin R U-500 you are supposed to take. **Do not** change your dose unless your doctor tells you to.
- Check the label of your insulin each time you use it. This will help you make sure you are using the right one.
- **Test your blood sugar** before you take Humulin R U-500. Do not take it if your blood sugar is too low.
- **Do not** mix Humulin R U-500 with any other insulin.
- Always use a new needle when injecting Humulin R U-500. This will help you avoid infection.
- Inject Humulin R U-500 under your skin. Change (rotate) where you inject your insulin with each dose. **Do not** inject your insulin into the exact same spot. **Avoid** injecting your insulin into areas where the skin has pits or lumps, or is thickened, tender, bruised, scaly, hard, scarred, or damaged. This will help reduce your chance of getting pits, lumps, or thickened skin where you inject your insulin.

Learn more

Humulin R U-500 is a prescription medicine. For more information, call 1-800-545-5979 or go to humulin.com.

This summary provides basic information about Humulin R U-500 but does not include all information known about this medicine. Read the information that comes with your prescription each time your prescription is filled. This information does not take the place of talking with your doctor. Be sure to talk to your doctor or other healthcare provider about Humulin R U-500 and how to take it. Your doctor is the best person to help you decide if Humulin R U-500 is right for you.

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Humulin® and KwikPen® are registered trademarks owned or licensed by Eli Lilly and Company, its subsidiaries, or affiliates.

INDICATION AND SAFETY SUMMARY for REZVOGLAR™

REZVOGLAR™ (REHZ-voh-glahr) is a long-acting man-made insulin only available with a prescription used to control high blood sugar in adults and children with diabetes mellitus.

REZVOGLAR is not for use to treat diabetic ketoacidosis.

Warnings - Do not take REZVOGLAR if you have:

- symptoms of low blood sugar (hypoglycemia)
- an allergy to REZVOGLAR or any of its ingredients

Do not reuse needles or share your REZVOGLAR™ KwikPen® with other people. You or the other person can get a serious infection. This can happen even if you change the needle.

Do not change the insulin you use or your dose, unless your doctor tells you to. This could cause low or high blood sugar, which could be serious.

REZVOGLAR may cause serious side effects. Some of these can lead to death. The possible serious side effects of REZVOGLAR are:

- **Low blood sugar.** This can lead to:
  - dizziness or light-headedness
  - headache
  - shakiness
  - irritability
  - sweating
  - blurred vision
  - fast heartbeat
  - mood change
  - confusion
  - slurred speech
  - anxiety
  - hunger
- **Severe allergic reaction.**
  Get emergency help right away if you have:
  - a rash over your whole body
  - swelling of your face, tongue, or throat
  - extreme drowsiness, dizziness, or confusion
  - trouble breathing
  - sweating
  - a fast heartbeat
  - shortness of breath
- **Low potassium in your blood (hypokalemia).** This can lead to severe breathing problems, irregular heartbeat, and death.
- **Heart failure.** Taking diabetes pills called thiazolidinediones /thIE-uh-zOH-li-dEEn-dIE-OHns/ (TZDs) with REZVOGLAR may cause heart failure in some people. This includes people who do not have any heart problems. If you have heart failure, it may get worse if you take TZDs with REZVOGLAR. Tell your doctor if you have any new symptoms of heart failure, or if they get worse. These are: shortness of breath, swelling of the ankles or feet, and

sudden weight gain. Your doctor may need to change or stop treatment with TZDs and REZVOGLAR.

Common side effects

The most common side effects of REZVOGLAR are:

- low blood sugar
- minor reactions where you have injected REZVOGLAR
- itching
- swelling
- allergic reactions
- changes in fat tissue where you have injected REZVOGLAR
- rash
- weight gain

These are not all of the possible side effects. Tell your doctor if you have any side effects. **You can report side effects at 1-800-FDA-1088 or** www.fda.gov/medwatch**.**

Before using

Talk with your doctor about low blood sugar and how to manage it. Tell your doctor:

- about all of the medicines you take, including over-the-counter medicines, vitamins, and herbal supplements.
- about any other prescription medicines you take, especially ones called TZDs.
- about all of your medical conditions, including if you have heart failure or other heart, liver, or kidney problems. If you have heart failure, it may get worse while you take TZDs with REZVOGLAR.
- if you are pregnant, breastfeeding, or plan to become pregnant. It is not known if REZVOGLAR may harm your unborn or breastfeeding baby.

How to take

The REZVOGLAR KwikPen is a disposable insulin delivery device for use by a single patient to inject REZVOGLAR. Read the **Instructions for Use** that come with your REZVOGLAR single-patient-use prefilled KwikPen. These instructions provide details on how to prepare and inject a dose of REZVOGLAR, and how to throw away used REZVOGLAR prefilled pens and needles.

Be sure to **check your blood sugar levels** and use REZVOGLAR exactly as your doctor tells you to. Your doctor may tell you to change your dose because of illness, increased stress, or changes in your weight, diet, or level of physical activity or exercise. He or she may also tell you to change your dose because of other medicines you take.

The dose indicator on your pen shows your dose of REZVOGLAR. Do not make any dose changes unless your healthcare provider tells you to. Do not use a syringe to remove REZVOGLAR from your KwikPen disposable prefilled pen. **DO not** re-use needles. Always use a new needle for each injection. Re-use of needles increases your risk of having blocked needles, which may cause you to get the wrong dose of REZVOGLAR. Using a needle for each injection lowers your risk of getting infection. If your needle is blocked, follow the instructions in **Step 3** of the **Instructions for Use.**

Before injecting your REZVOGLAR
You can inject REZVOGLAR yourself, or you can have a trained caregiver inject it for you. Make sure you or your caregiver:

- Check your insulin label each time you give your injection. This will help you make sure that you are using the correct insulin.
- Use a new needle for each injection. You can get a serious infection or the wrong dose of insulin if you re-use needles.

When you are ready to inject

- Take REZVOGLAR once a day, at the same time each day.
- Change (rotate) where you inject your insulin with each dose. This can help reduce your chance of getting pits, lumps, or thickened skin where you inject your insulin. **Do not** inject your insulin into the exact same spot or where the skin has pits or lumps. **Avoid** injecting into thickened, tender, bruised, scaly, hard, scarred, or damaged skin.

Staying safe while taking your REZVOGLAR

To stay safe while taking REZVOGLAR, be sure you **only** use REZVOGLAR that is clear and colorless and does not have any particles.

Be sure you **do not:**

- mix REZVOGLAR with any other type of insulin or solution.
- drive or use heavy machinery until you know how REZVOGLAR affects you.
- drink alcohol or use other medicines that contain alcohol when taking REZVOGLAR.
- use REZVOGLAR in an insulin pump or inject REZVOGLAR into your vein (intravenously).

Learn more
REZVOGLAR is a prescription medicine. For more information, call 1-800-545-5979 or go to **REZVOGLAR.com**.

This summary provides basic information about REZVOGLAR but does not include all information known about this medicine. Read the information that comes with your prescription each time your prescription is filled. This information does not take the place of talking with your doctor. Be sure to talk to your doctor or other health care provider about REZVOGLAR and how to take it. Your doctor is the best person to help you decide if REZVOGLAR is right for you.

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About Lilly

Lilly unites caring with discovery to create medicines that make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help more than 47 million people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges, redefining diabetes care, treating obesity and curtailing its most devastating long-term effects, advancing the fight against Alzheimer's disease, providing solutions to some of the most debilitating immune system disorders, and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/newsroom or follow us on Facebook, Instagram and LinkedIn. P-LLY

Lilly Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about our efforts to lower insulin prices and expand the $35 insulin cap and reflects Lilly's current beliefs and expectations. However, there can be no assurance that these efforts will achieve Lilly's objectives or that Lilly will execute its strategy as planned. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

# # #

Footnotes

1. Includes Humalog U-100 (10mL and 3mL vials, cartridges, and KwikPen and Junior KwikPen), Humalog Mix 50/50 (10mL vial and KwikPen), and Humalog Mix 75/25 (10mL vial and KwikPen). It does not include the Tempo Pen®.
2. Includes Humulin N U-100 (10mL and 3mL vials, and KwikPen), Humulin R U-100 (10mL and 3mL vials), and Humulin 70/30 (10mL and 3mL vials, and KwikPen).
3. Terms and conditions apply. At the majority of retail pharmacies. Government restrictions exclude people enrolled in federal government insurance programs from Lilly's $35 solutions. But federal law provides that Medicare Part D beneficiaries also pay no more than $35 per month for insulin.

POINT PAPER – Cost of Insulin products

Problem: The cost of insulin is presently unaffordable for a significant number of North Dakota residents who rely on it to survive. Nearly a quarter of insulin-dependent Diabetics ration insulin due to insulin's high monthly cost. Rationing insulin leads to serious complications including stroke, kidney disease, blindness, heart disease, and death.

Issues:

1) Patients. Type 1 Diabetes afflicts patients of all ages and is incurable, but easily treatable with insulin. Type 1 Diabetes is not caused by lifestyle choice, poor diet, or lack of exercise. Without insulin, Type 1 Diabetes is 100% fatal.
2) Cheap to Manufacture. Cost to manufacture insulin is low – only about $5-6 for a monthly supply, yet there are no generic options on the market.
3) Expensive to Buy. Type 1 Diabetes is the most expensive chronic illness in the United States. The average Type 1 Diabetic spends approximately $17,000 a year on out-of-pocket costs (OOP) for health care, not including their cost of insurance.
4) High Profit Incentive. The profit incentive for profit is high – approximately $1,127 per month per patient or a profit margin of approximately 7000%.
5) Exponential increases. The cost of insulin has exponentially increased in the last thirty (30) years with no substantial changes or improvements to the product.
6) Rebates Come at a High Cost. Approximately twenty-five percent (25%) of the profit is redistributed to pharmacy benefit managers, insurance companies, and large subscribers as rebates. The genesis of the rebates is the high cost of insulin, paid for by Type 1 Diabetics overpaying for their medication.
7) Myth of Free Market. The insulin market is not a free market. Insulin manufacturers, pharmacy benefit managers, and insurance providers work in tandem to extend patents, introduce barriers for generics, and inflate prices.
8) Insulin is deadly. Insulin is both deadly and lifesaving requiring various supplies to make it most effective and to reduce long term health consequences.
9) Legislation is necessary. Legislative pressure on insulin manufacturers is working. Insulin price capping bills in twenty-two (22) states have resulted in downward compression on pricing in the last two (2) years.
10) Price Reduction Programs Ineffective. Price reductions, manufacturer programs, coupon offerings, and supplier programs are ineffective, narrowly focused, and largely motivated by publicity.

Solution: The North Dakota Legislature approve a monthly co-payment cap of $25 for insulin and $25 co-payment cap for supplies.

Recommended Action: The committee approves the current bill.

Hi my name is Trygg. I have Type 1 Diabetes. I'm asking for your support of Senate Bill 2140. I need insulin every day to live. Please fund this bill for kids and people like me. Lack of insulin stops a beating heart. We must do better. Thank you,

Trygg Sobolik
Type 1 Diabetic - 8 years old

March 7, 2023

Dear Committee,

My daughter was diagnosed with Type 1 Diabetes almost 5 years ago when she was a couple of months shy of 2 years old. In addition to the daily struggles of management is the financial cost of obtaining insulin and other supplies needed to monitor her blood glucose numbers. My daughter will quite literally die within days without insulin, and it will be that way for the rest of her life. Having access to insulin, and being able to afford other supplies and technology to manage her blood glucose will result in her having a longer, healthier life. This can only make it more desirable for health insurance agencies to promote accessibility and affordability to this necessary medication to avoid individuals developing chronic and costly health complications. This is a disease that is not developed through any choices an individual makes, and cannot go away based on choice. Families and individuals should not have to suffer in order to keep their child alive so that pharmaceutical companies can make outrageous profits. While these caps on the cost of insulin may not solve problems for large groups of people to start, it opens the door and will eventually widen and create the productive and wide-ranging changes we need to see. Waiting to support a bill until it meets everyone's needs is not how change is made, it is made in small steps. The reason there is resistance to this is because it is obvious it is the start of great change that some groups who profit from these high drug costs don't want to see.

Amy Knudson

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March 7, 2023

Representative Robin Weisz, Chairman
House Human Services Committee
North Dakota State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505

Re: Senate Bill 2140, Insulin Coverage

Dear Chairman Weisz and Committee Members,

I am writing on behalf of AHIP regarding our concerns with Senate Bill 2140. AHIP shares your goals of making insulins and all drugs more affordable for patients we appreciate the Legislature's interest in protecting North Dakotans from the pricing schemes being perpetrated by pharmaceutical manufacturers. However, AHIP opposes legislation that mandates capping the cost-sharing for prescription drugs while allowing drug manufacturers to continue to raise prices year- over-year with no accountability.

AHIP and our member health insurance providers believe every American should have comprehensive coverage that helps them prevent, diagnose, and manage both acute and chronic health conditions, including diabetes. Health insurance providers work every day to promote health, wellness, and prevention; address the significant drivers of chronic disease and poor health; give consumers the power to choose the care and coverage that works best for them; improve patient care; and enhance the consumer experience with innovative tools, treatments, and technologies.

For some diabetes patients (especially those who are uninsured), the rising cost of insulin products has created an affordability crisis that threatens their health and well-being. Out-of-control prices for insulin products—and other prescription drugs—are a direct consequence of drug manufacturers' taking advantage of a broken market for their own financial gain at the expense of patients. The current lack of competition, transparency, and accountability in the prescription drug market has created extended, price-dictating monopolies with economic power that exists nowhere else in the U.S. economy.

While mandating broad coverage of insulin supplies and capping the cost-sharing (copays, coinsurance, deductibles, referred to as "copay caps") for insulin products seems like a consumer-friendly approach to hold costs down for patients with diabetes, these policies can have dangerous consequences that drug manufacturers fail to disclose with policymakers. We have concerns with SB 2140 for the following reasons:

- This approach does not address the underlying price of prescription drugs and allows drug makers to skirt accountability, oversight, and transparency in pricing. In fact, this approach will likely allow the underlying prices to increase with even less transparency – increasing costs for all consumers.
- There are better public policy solutions to address prescription drug affordability.

SB 2140 does nothing to address the underlying price of insulin.

Since 2006, while the number and supply of insulin products has grown, the list price of insulin products has increased exponentially. Between 2002 and 2013, the list price of insulin nearly tripled with regular price increases each year from the three main companies that manufacture insulin and the annual costs per patient for insulin nearly doubled from 2012 to 2016.[1] Notably, these increases are not attributed to any advances in the drug itself. Insulin has been an effective and available therapy for individuals with diabetes for almost a century.

Capping the cost of insulin allows drug manufacturers to hide the real prices of their drugs from consumers while raising costs for everyone. A recent multi-year bipartisan investigation by the U.S. Senate Finance Committee on rising insulin costs found that skyrocketing prices are due to a lack of transparency and misaligned incentives among insulin manufacturers where three drug companies were raising and keeping insulin prices high through "shadow pricing".[2]

> *"The investigation found that insulin manufacturers aggressively raised the list price of their insulin products absent significant advances in the efficacy of the drugs. In particular, the investigation found that Novo Nordisk and Sanofi not only closely monitored the others' price increases, but they also actually increased prices in lockstep – sometimes within hours or days of each other—a practice known as "shadow pricing." These efforts kept a high price floor for their products, and left consumers paying more for insulin at the pharmacy counter."*[3]

The U.S. House of Representatives Committee on Oversight and Reform also found that insulin manufacturers have manipulated the market to keep prices high and competition low.

> *The three insulin companies have engaged in strategies to maintain monopoly pricing and defend against competition from biosimilars. These strategies include manipulating the patent system and the marketing exclusivities granted by the Food and Drug Administration (FDA), pursuing tactics to switch patients to new formulations of their*

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[1] https://insurance.illinois.gov/Reports/Docs/Insulin-Pricing-Report-November-2020.pdf

[2] https://www.finance.senate.gov/chairmans-news/grassley-wyden-release-insulin-investigation-uncovering-business-practices-between-drug-companies-and-pbms-that-keep-prices-high

[3] Ibid.

products before losing exclusivity, and engaging in shadow pricing (confirming U.S Senate Finance Committee findings detailed above) which keeps prices high.[4]

Copay caps hide the true price of prescription drugs and instead spread the cost to other services and consumers.

Health insurance providers must adhere to several federal and state laws to ensure consumers have access to affordable and quality health care coverage. Health insurance regulations act as both front end protections (rate review) and back-end protections (medical loss ratio requirements). Increases in health insurance costs must be justified to regulators and consumers must be compensated if premium rates were set too high.

Drug manufacturers are not accountable to regulators in this way and, as a result, regularly increase their list prices without providing any explanation to consumers. Without any sort of public pressure or accountability at the pharmacy counter, drug makers will be allowed – and even encouraged – to increase their already high prices. Copay caps provide pharmaceutical manufacturers a blank check to charge whatever they want because consumers are shielded from uncontrolled price increases.

Federal law dictates the actuarial value (AV) requirements for the individual and small group markets. Under federal law, a set percentage of medical expenses must be covered by the enrollee. Any time a copay is reduced for one service, it must be increased for another type of service to maintain the AV for that plan. Thus, if an insurer covers more of the overall cost of prescription drugs (by lowering the consumers' cost share), the plan must cover less of the costs for other benefits included in the health plan in order to comply with the AV requirements. Copay caps limit health insurance providers ability to mitigate pharmaceutical price increases while adhering to state and federal laws and regulations. Simply put, enrollees will pay more for doctor visits and other benefits to offset lower prescription drug copays.

There are better solutions to address prescription drug affordability.

Placing arbitrary caps on consumer cost sharing is not the right way to achieve lower drug prices. AHIP members support market-based solutions that hold drug makers accountable for high list

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4 https://oversight.house.gov/sites/democrats.oversight.house.gov/files/DRUG%20PRICING%20REPORT%20WITH%20APPENDIX%20v3.pdf

prices and put downward pressure on prescription drug prices through competition, consumer choice, and open and honest drug pricing.

- **Improving Drug Pricing Transparency:** Understanding drug prices is critical to affordable health care coverage. Rather than enacting copay caps which allow drug manufacturers to hide their price. States should focus on passing transparency laws that provide insight into manufacturers' pricing practices to better understand what causes high launch prices and increases on existing prescription drugs. Copay caps cannot be allowed to distract from addressing the root causes of increased costs for prescription drugs to consumers.
- **Banning Pay for Delay:** States should follow California's lead and pass legislation banning pay for delay agreements, where drug manufacturers pay or incentivize a competing company to keep cheaper generic drugs off the market.[5] The pharmaceutical market is notorious for patent abuses, which harm consumers by giving higher-priced brand name drugs longer periods of exclusivity. As the U.S. House of Representatives Committee on Oversight and Reform's report showed, this is particularly true in the insulin market. State policymakers can also support efforts at the national level to prohibit these types of abuse practices.
- **Value and Competition:** Nine states currently have CMS approval to enter into outcomes/value-based purchasing agreements for drugs purchased through the Medicaid program. In late December 2020, CMS issued a final rule that makes it easier for state Medicaid programs, commercial insurers, and pharmaceutical companies to enter into these types of agreements. AHIP believes that increasing the number of value-based arrangements for states and commercial insurers will lead to lower costs and better outcomes.
- **Partnerships:** By working together under innovative arrangements, pharmaceutical companies and health insurance providers can lower the costs of prescription drugs for consumers. In 2020, the Centers for Medicare and Medicaid Services (CMS) launched a voluntary Medicare initiative, the "Part D Senior Savings Model" that encourages collaboration between pharmaceutical companies and health plans to lower costs for insulin and ensure those cost savings pass through to consumers. In this initiative, CMS recognized that lower prescription drug costs for seniors were possible if pharmaceutical companies reduced the cost of insulin by increasing their discounts. Health plans then use those savings to reduce the out-of-pocket costs for seniors at the point of sale. This balanced solution avoids the cost-shifting consequences of cap-the-copay legislation.

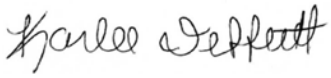
Health insurance providers are strongly committed to ensuring that patients have access to affordable prescription drugs, including insulin. Although capping copayments for prescription drugs may appear to bring temporary relief for some, they will lead to added costs for all patients in the form of higher premiums and higher copays for other health care services, while allowing

[5] *California SB 814* (2019).

drug manufacturers to continue to raise prices year-over-year with no accountability.

We appreciate the opportunity to share our concerns and your consideration of our comments. Please do not hesitate to contact me at ktebbutt@ahip.org should you have any questions.

Sincerely,



Karlee Tebbutt
Regional Director, State Affairs
AHIP – Guiding Great Health

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

March 7, 2023

SB2140

House Human Services Committee

Chairman Weisz and members of the Human Services Committee,

My name is Tim Mathern, Senator from Fargo, and I am here to introduce Senate Bill 2140. SB 2140 directs our state health insurance plan to cover the costs of diabetes drugs and supplies in an affordable method.

Your committee member and cosponsor, Representative McLeod, is an expert in the content of this bill and diabetes care. She and others here to testify are best able to address the specifics.

To save lives I ask for a Do Pass recommendation on SB2140.

Thank you.

Senator Tim Mathern

Fargo ND

Legislative Assembly

North Dakota House of Representatives

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COMMITTEES:
Human Services
Government and Veterans Affairs

March 5,2023

Chairman Weisz and members of the Human Services Committee,

I am Carrie McLeod, Representative from District 45 in Cass County. I was asked to cosponsor this bill because of my experience working with patients who have diabetes and because I am a certified diabetes education specialist and private practice provider.

It is my honor to introduce this bill on behalf of the 9.2% of our North Dakota population that live with diabetes.
SB 2140 provides for a cap on the cost of insulin and supplies. Insulin is a very old drug that was founded over 100 years ago. The Research and Development that is usually attached to the cost of a drug should have run its course long before any of us were born. The American Diabetes Association has provided the actual cost of a vial of insulin ranging from $2.28 to $6.16 to produce. However, patients that purchase insulin have cited an out-of-pocket cost of $87-120 per vial after insurance was filed. The cost to patients has gone up steadily over the last few years even though the cost to produce the product is minimal. Placing a $25 cap on insulin and supplies will still result in a profit to producers and suppliers.
Patients with Type 1 diabetes require insulin to live. This is an auto-immune disease where the healthy insulin producing cells are destroyed through no fault of the patient. This disease did not come about through lifestyle or choices that a patient makes. Once the body can no longer make its own insulin the patient must take insulin throughout the day, or risk coma and ultimately an untimely death.

Insulin is necessary for life. Most of you on this committee have a healthy pancreas that produces insulin in the amount that your body requires. The body regulates this process and you do not need to calculate how much to take to keep your glucose levels in a healthy range.

Patients with diabetes need to carefully adjust and allow for insulin continuously throughout the day. There are more frequent provider visits and lab work in addition to supplies and insulin. This care can cost many thousands of dollars annually. It is a complex and costly disease.

Many patients cannot afford insulin which results in rationing a less than prescribed amount. It is thought that 1 in 5 patients ration their insulin at lower levels than the body requires because they cannot afford the high cost of insulin. The outcome of rationing can result in complications including hyperglycemia (high glucose levels), leading to pancreatitis, heart disease, loss of eyesight, kidney disease, neuropathy that can lead to amputations, sexual dysfunction, infections, problem pregnancies, a compromised immune system and other life threatening problems. High glucose levels can also cause a patient to act confused and irritable. These complications and symptoms are only part of the problems that can result from inadequate insulin amounts. The cost to treat these complications can be quite large and accumulative over time. Ultimately coma and death can be a part of the pathway when a patient is not getting the adequate amounts of insulin that their body desires.

Because patients with this disease require insulin to live, we are asking for your support of SB2140. There are only 3 companies that produce, and market insulin and they have created a monopoly. This is not a free market issue. You may have heard recently that Eli Lilly will be placing a cap on their insulin. That is good news, and they are a great company, however Eli Lilly is not the company that many formularies use, and not all insulins will be capped. The American Diabetes Association reports that only 3 in 10 patients use Eli Lilly insulin. Our own PERS program uses another company in the formulary. If this $25 cap goes into place there will still be a good profit margin.

Typically thought to be a childhood disease, we now know that Type 1 Diabetes can be contracted during adulthood as was the case for me during my early 30s. At that time, a vial of insulin was less than $20 to purchase out of pocket. It is hard to imagine the price increasing so much when insulin is an old drug with the cost of development running its course nearly a century ago.

SB2140 provides for a 2-year study with the ND PERS plan. Please vote yes to this life-giving bill.

Thank you.