



**PARTNERSHIP FOR
EMPLOYER-SPONSORED COVERAGE**

June 29, 2022

The Honorable Charles E. Schumer
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Leaders Schumer and McConnell:

We write to express strong concerns regarding the proposed *Improving Needed Safeguards for Users of Lifesaving Insulin Now (INSULIN) Act*. Our concerns are not regarding the question of insulin prices – which are outrageous – but on the methodology this draft legislation takes. The INSULIN Act will create an unfortunate precedent for other drugs and conditions and disrupt well-established medical management and drug formularies group health plans use to lower drug costs. It also has not had the benefit of a committee hearing to air these issues, yet we understand that it may soon come before the Senate.

Partnership for Employer-Sponsored Coverage members agree that insulin costs are far too high, especially for the uninsured. P4ESC members provide good coverage, and, in most cases, insulin is available at less than the \$35 monthly copay the INSULIN Act calls for. But high insulin costs add to health insurance coverage costs generally. We agree that this is not tenable.

P4ESC strongly supports greater transparency for Pharmacy Benefit Managers (PBMs). Greater scrutiny of insulin manufacturers and PBM practices is in order. New modalities of administering insulin may also have influenced prices. Formularies are constantly updated, and appeals are available to patients seeking access to other treatments.

We worry greatly about the precedent set by this legislation for other conditions. For example, not every diabetic is insulin dependent; yet increasingly expensive pharmaceutical and biologic remedies are marketed to address diabetes. Will these be candidates for similar tethered pricing approaches? What about other conditions? There is no logical stopping point.

We understand the popular appeal to members of Congress to address high insulin costs. But in this case, the proposed “cure” will cause far more lasting harm to the affordability of insulin and employer-sponsored plans generally. We urge the Senate to focus instead on PBM and pharmaceutical and biologic manufacturer transparency, especially as it regards profit-taking on

insulin. At a minimum, we encourage you to delay consideration until the Federal Trade Commission provides results of its PBM inquiry¹.

We encourage the Senate committees of jurisdiction to hold hearings on this legislation to allow stakeholders – including employers – to inform Members of the potential disruption and added costs to employer plans in all market segments. P4ESC welcomes the opportunity to further discuss this draft bill.

Sincerely,

Partnership for Employer-Sponsored Coverage

cc: United States Senate Members

¹ FTC Launches Inquiry Into Prescription Drug Middlemen Industry, June 7, 2022. <https://www.ftc.gov/news-events/news/press-releases/2022/06/ftc-launches-inquiry-prescription-drug-middlemen-industry>