



July 11, 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 underline our strong concerns regarding the proposed *Improving Needed Safeguards for Users of Lifesaving Insulin Now (INSULIN) Act*. In our view, this legislation takes the wrong approach and deserves a public hearing to understand the potential cost shifts that all patients will experience.

As noted in our previous letter on June 29, we do not take issue with the question of insulin prices. These are outrageous, and most especially so for the uninsured. We commend the recent call¹ of several Senate Finance Committee members for consideration of this bill under regular order in the Finance Committee. The likely cost shift to employer plans and our employees from insulin manufacturers and Pharmacy Benefit Managers (PBMs), the precedent set to address future conditions and therapies, and the disruption of well-established medical management and drug formularies used by group health plans to lower drug costs all deserve to be heard in the Senate Finance Committee as well as the Senate Health, Education, Labor & Pensions Committee.

We believe this legislation would establish a precedent for other conditions without limit or a logical stopping point. In the not-too-distant past, Congress debated benefit mandates and raised the cost of coverage for employers and employees. Tethered pricing for drugs could become the next benefit mandate arms race. On the present question of insulin, why tether pricing of insulin and not do the same for other pharmaceuticals and biologics targeted to diabetes? They are all expensive. What condition will be addressed next? Will all pharmaceuticals and biologics ultimately be nationally negotiated?

Partnership for Employer-Sponsored Coverage (P4ESC) members provide comprehensive coverage. In most cases, insulin is available for employees and covered dependents at less than the \$35 monthly copay the INSULIN Act calls for. But high insulin costs add to health coverage

¹https://www.toomey.senate.gov/imo/media/doc/letter_to_chairman_wyden_and_ranking_member_crapo_regarding_insulin.pdf

costs for employers and employees, including those who are insulin dependent. As costs go up, copays may have to increase too.

P4ESC strongly supports greater transparency for PBMs and insulin manufacturers. Greater scrutiny of their practices is in order, especially as it regards profit-taking on insulin. At a minimum, we encourage you to delay consideration of the INSULIN Act until the Federal Trade Commission provides results of its PBM inquiry².

We encourage the Senate Committees of jurisdiction to hold hearings on this legislation to allow employers and other stakeholders to inform Members of the potential disruption and added cost to employer plans in all market segments. Please contact P4ESC's Executive Director Neil Trautwein at eneiltrautwein@gmail.com for a meeting with P4ESC members. P4ESC welcomes the opportunity to further discuss this legislation.

Sincerely,

Partnership for Employer-Sponsored Coverage

cc: United States Senate Members

² 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>