



April 9, 2019

The Honorable Diane DeGette
Chair
House Energy and Commerce Committee
Subcommittee on Oversight and Investigations
Washington, DC 20515

The Honorable Brett Guthrie
Ranking Member,
House Energy and Commerce Committee
Subcommittee on Oversight and Investigations
Washington, DC 20515

Dear Chair DeGette and Ranking Member Guthrie:

On behalf of the American Academy of Family Physicians (AAFP), which represents 131,400 family physicians and medical students across the country, I write to share the organization's support for your recent efforts to investigate the factors causing high insulin prices.

The AAFP believes that all people regardless of social, economic or political status, race, religion, gender or sexual orientation, should have access to primary medical care and other essential health care services. Today, millions of patients face the reality that the product that provides them hope for a full and functional life is beyond their economic capabilities. Care should be comprehensive, affordable, and include protections for those with financial hardships. Having both health insurance and a usual source of care (e.g., through an ongoing relationship with a family physician) contributes to better health outcomes, reduced disparities along socioeconomic lines, and reduced costs.¹ This applies to those with chronic diseases and their ability to access prescription medications.

The AAFP continues to celebrate innovations that have produced pharmaceuticals and biologics that have improved the lives of millions of people and as a result, altered the course of history. Individuals facing diseases and illnesses that once decreased function and quality of life are now managed in a way that allows for better function and a higher quality of life. Diagnoses that once led to early mortality are now life-long chronic conditions. We also celebrate medications that help make treatments easier and more efficient. As health stakeholders, we should all continue to celebrate the scientific discoveries that are making a difference for millions of individuals, families, and communities. From vaccines to precision medicine, new discoveries have the potential to change lives.

Nothing highlights the impact of innovation on patient's health and lives better than the discovery of insulin. A product developed over 90 years ago, insulin is one of the great scientific breakthroughs of the 20th Century. Insulin has improved the lives of millions of people and their families.

However, we must also acknowledge that this innovation, like others, has become out-of-reach for too many Americans – including those with health care coverage. The promises of

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pharmaceutical treatment are blunted by the economic realities that those products are unaffordable. A 2016 Kaiser Family Foundation survey indicated that drug prices are a top concern among consumers. A 2016 Journal of the American Medical Association's published report indicated that from 2004 to 2014 Medicare's share of US drug expenditures increased from two percent of total drug spending, or \$193 billion, to 29 percent or \$298 billion. A 2019 survey indicates that 65% of individuals who take three or more prescriptions struggle to afford their medications.

Our current debate over the escalating cost of pharmaceuticals is drawing attention to a broken system that features layers of misaligned incentives. There are multiple factors that contribute to escalating drug costs and we should not ignore the role pharmacy benefits managers (PBMs) and health insurers play in this crisis. However, it is indisputable that price is the foundational issue. It is indisputable that the price of drugs, such as insulin, have increased at rates unjustified by economic indicators impacting the industry. It is indisputable that price is the reason drugs are unobtainable by patients. And, it is indisputable that these price increases continue to occur for one simple reason, because companies can. The lack of a transparent, regulated market allows for profit-centric decisions that place patients and their health care needs behind the financial needs of companies and shareholders.

Access to affordable insulin is a serious concern among America's family physicians. Ensuring access to medications is an integral part of physicians' role as advocates for their patients. Unfortunately, and too frequently, family physicians encounter patients who cannot afford their medications and thus cannot adhere to treatment recommendations. As a result, our members have a meaningful interest in drug pricing. Due to the complexity of care family physicians provide, the number and intricacy of conditions, complaints, and diseases seen in family medicine is far greater than those seen by any other physician specialty.

Diabetes treatment is particularly important because if diabetes is not appropriately managed, the condition can lead to significant complications and costly medical care. The CDC estimates that 30 million Americans have diabetesⁱⁱ and that the disease costs the US health care system and employers \$237 billion every year.ⁱⁱⁱ The condition, like many chronic conditions, is commonly diagnosed and managed within a primary care practice. Family physicians spend most their time treating patients with chronic diseases, and commonly those with multiple conditions.^{iv} Our patients' health and longevity depends on their ability to adhere to treatment regimens, which has become more difficult due to the escalating costs of medications.

Diabetes can cause heart disease, kidney failure, lower extremity amputations, chronic pain, dental disease, and blindness.^v Estimates suggest that in many states, half of all people with diabetes do not receive recommended preventive care services that are known to reduce the risk of diabetes complications.^{vi} Patients who are able to effectively manage their condition enjoy a better quality of life and overall health. But effective management requires both healthy behaviors and access to insulin. Between 2007 and 2017, the average wholesale price of four of the most popular insulins has more than tripled in price.^{vii} Between 2010 and 2015, the monthly wholesale price of Humulin, the most popular insulin, rose to nearly \$1100, up from \$258 for the average patient.^{viii} Our patients are increasingly struggling to afford their insulin and are, therefore, unable to follow their treatment plans. This inability is not their fault, but is directly correlated with insulin price. Too often, patients are modifying their drug regimens and experiencing a deterioration in their health, increased hospitalizations, and more disease complications.

The following is direct feedback from our family physicians regarding insulin prices and patient health:

- *Insulin pricing is a problem that has been worsening for my patients for the past several years but has really accelerated over the past two years or so. I frequently have to use insulin regimens which were state of the art 20+ years ago but tend to be more complicated and much more confusing for the patient than today's standard. Unfortunately, I believe that this is the cause of the increased number of retinal surgeries and toe and limb amputations I have seen in my patients over the past two years when compared to five to seven years ago.*

This is a problem that I see on a DAILY basis. I frequently have patients cut their daily dose or even skip doses to make ends meet. The prices have progressed much faster than cost of living (COLA) adjustments in my patients fixed incomes.

Deltaville, Virginia

- *I encounter patients on a weekly basis who cannot afford their insulin. I see patients who are not able to control their A1C levels and unneeded hospitalizations.*

Charleston, South Carolina

We are pleased to comment on this important topic and look forward to working with you to reduce insulin prices. Please contact Sonya Clay, Government Relations Representative, at 202-232-9033 or sclay@aafp.org with any questions or concerns.

Sincerely,



Michael L. Munger, MD, FAAFP
Board Chair

ⁱ The Robert Graham Center, The Importance of Having Health Insurance and a Usual Source of Care, Am. Fam. Physician (Sept. 15, 2004), available at <http://www.aafp.org/afp/2004/0915/p1035.html>.

ⁱⁱ CDC, Diabetes Basics, available online at: <https://www.cdc.gov/diabetes/basics/type2.html>

ⁱⁱⁱ CDC, Health and Economic Cost of Chronic Diseases, <https://www.cdc.gov/chronicdisease/about/costs/index.htm>

^{iv} Lyons, RK and Slawson, JG, An Organized Approach to Chronic Disease Management, Fam Practice Management, 2011 May-June;18(3):27-31.<https://www.aafp.org/fpm/2011/0500/p27.html>

^v U.S. Department of Health and Human Services, Diabetes, National Action Plan: The Importance of Diabetes Treatment and Management (12/2004): accessed online at: <https://aspe.hhs.gov/report/diabetes-national-plan-action/importance-diabetes-treatment-and-management>

^{vi} HHS, Diabetes National Action Plan: <https://aspe.hhs.gov/report/diabetes-national-plan-action/importance-diabetes-treatment-and-management>

^{vii} Rosenthal, E, When High Prices Mean Death, AMA Intern Med. 2019;179(1):114-115. doi:10.1001/Accessed online at: <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2717498>

^{viii} Rosenthal, JAMA, 2019, <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2717498>