

Consumers favor laws to limit costs of insulin

Article

The trend: Pressure is growing on drug makers to curb the cost of insulin to diabetes patients.

- On March 1, President Biden praised **Eli Lilly** for its **\$35 cap on patients' out-of-pocket cost** for its insulin products.
- On March 9, Sen. Bernie Sanders (I-VT), head of the Senate Health, Education, Labor, and Pensions (HELP) Committee, proposed legislation to **limit the list price of insulin to \$20** per vial.

- Two weeks later, on March 14, **Novo Nordisk**, one of the largest global insulin makers, announced it would **cut US list prices by up to 75%**.
- French drugmaker **Sanofi**, another major insulin seller, has not announced price changes currently.

How we got here: [Insulin prices](#) in the US have **skyrocketed more than 600%** over the last 20 years, per a September 2022 NPR report.

- In the case of **Novo's NovoLog**, a five-pack of injection pens are listed at **\$559**, and a vial is **\$298**.
- After the cost cuts take effect in January 2024, **prices would drop to \$140** for the pens and **\$72** for the vial, per the Wall Street Journal.

Patients aren't the only ones concerned about the cost of diabetes treatment. **US employers pay approximately \$245 billion each year** to cover treatment and drugs for [diabetic employees](#), per a study by Nomi Health.

- Of that, **\$175 billion annually** goes to direct medical and pharmacy costs.
- **\$70 billion is the indirect cost** to employers from employee absenteeism, reduced productivity, and diabetes-related disability, the study showed.

The pressure heats up: Healthcare is already a hot topic in 2023, as the US presidential campaigns get under way. Consumers are paying attention.

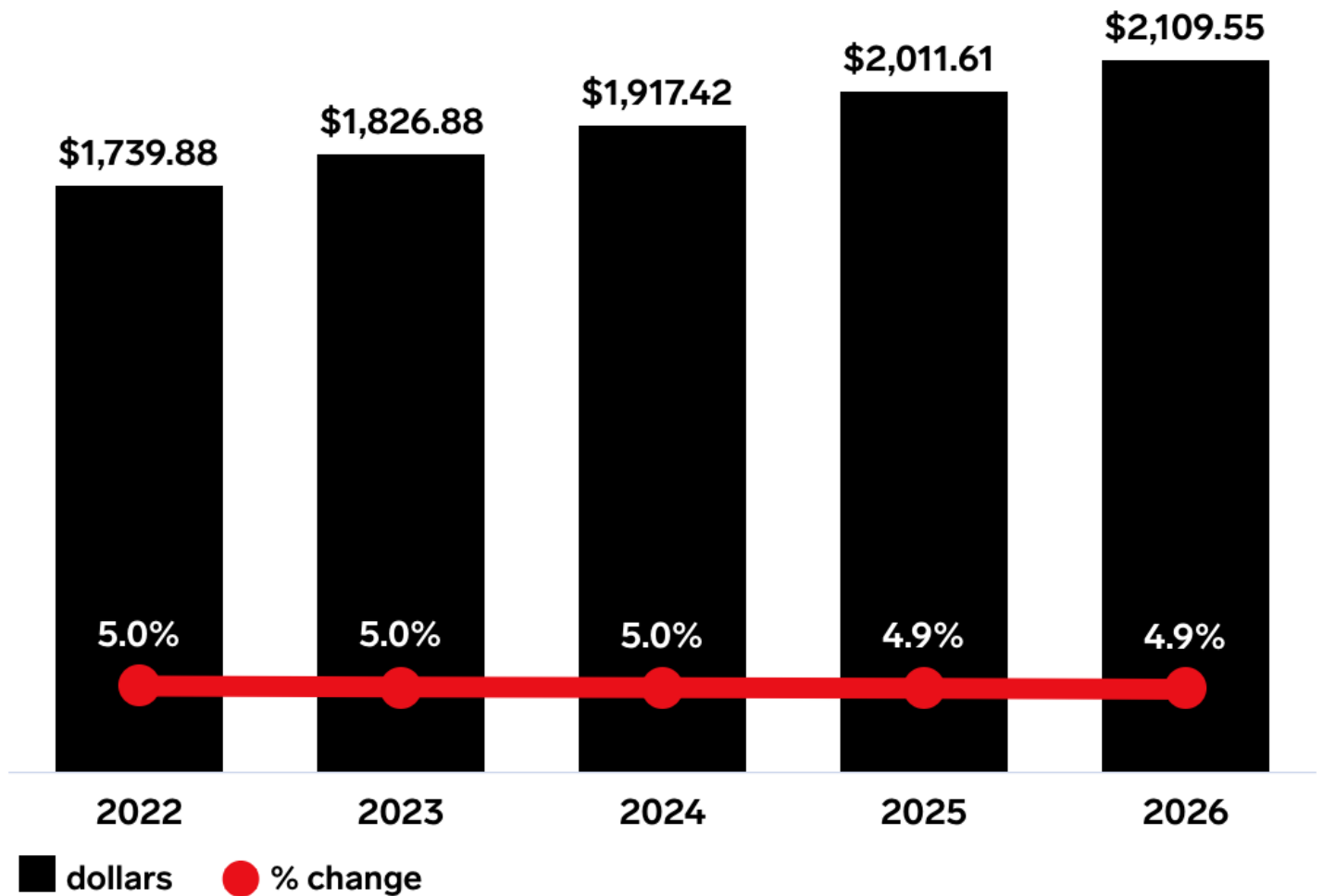
- **53%** of US adults polled by The Economist and YouGov in early March said either they or someone they know uses [insulin](#).
- **73% either strongly or somewhat support laws that set limits** on how much companies can charge for insulin (53% strongly and 20% somewhat).

Our take: Drug prices are a major concern for Americans, and they're ready for the government to help.

- **37% of respondents** in the Economist/YouGov poll said they **hadn't filled a prescription** because they couldn't afford it.
- [Total prescription drug spending in the US](#) will reach **\$620.3 billion in 2023**, we estimate, and will rise to **\$730.5 billion in 2026**.

- Consumers will spend **\$224 per person** (including children) this year, and we project that cost will rise to **\$279 per person in 2026**.

Total Prescription Drug Spending per Year, per Person US, 2022-2026



Note: total dollars spent on prescription medications by all payers

Source: eMarketer, June 2022

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