

Insulin Price Reductions

According to the American Diabetes Association, approximately 8.4 million of the 37 million Americans living with diabetes rely on insulin to manage their disease. In addition, the Centers for Medicare & Medicaid Services (CMS) states that more than 3.3 million diabetic Medicare beneficiaries use one or more of the common forms of insulin. The journal *Annals of Internal Medicine* has reported that 1.3 million diabetic adults who have been prescribed insulin have rationed their use of the medication in the past year in order to save money. The prices of the 100-year-old drug have more than tripled in the past two decades. Serious health complications and even death can result if insulin is not utilized as prescribed. It can be especially dangerous for people with Type 1 diabetes because they can quickly fall into a coma or die if their blood sugar levels are not controlled. For most Medicare beneficiaries, the average out-of-pocket cost per insulin prescription was \$54 in 2020, which was an almost 40% increase since 2007 according to the Kaiser Family Foundation.

The Inflation Reduction Act (IRA) was signed into law in August 2022 and capped monthly insulin costs for Medicare Part D beneficiaries at \$35 starting in January 2023. However, the IRA did not provide protection to uninsured patients with diabetes or those who are covered by private insurance. Lawmakers and advocacy groups once again called on the drug companies to lower the cost of insulin for everyone. In March, after many years of public objection and political pressure, Eli Lilly, Novo Nordisk, and Sanofi all announced reductions to the list price of certain insulin products.

On March 1st, Eli Lilly was the first to announce 70% price reductions for Humalog® (insulin lispro injection), its most prescribed insulin and Humulin® (insulin human) effective fourth quarter of 2023. Lilly also cut the price of its non-branded insulin, Insulin Lispro to \$25 a vial effective May 1st of this year. In addition, Rezvoglar™ (insulin glargine-aglr), its new biosimilar to Lantus® (insulin glargine), will have a 78% pricing discount to Lantus effective April 1, 2023. Lastly, Lilly will place immediate out of pocket caps of \$35 at participating retail pharmacies for people with commercial insurance using Lilly insulin.

On March 14th, Novo Nordisk announced price cuts for several of its prefilled insulin pens and vials effective January 1, 2024. There will be a 65% price reduction on Levemir® and Novolin® while NovoLog® and NovoLog® Mix 70/30 will be reduced by 75% starting on January 1, 2024. Novo Nordisk is also reducing the list price of unbranded biologics, Insulin Aspart and Insulin Aspart Protamine/Insulin Aspart to match the lowered price of each respective branded insulin. These changes will also go into effect on January 1, 2024. Novo's unbranded biologics are currently available at 50% off the list prices of NovoLog and NovoLog Mix, respectively. Branded and unbranded Tresiba® were not included in the price change announcement. However, unbranded insulin degludec is currently available at 65% off the list price of Tresiba.

Finally, on March 16th, Sanofi announced that beginning January 1, 2024 it will also discount the price of its most-prescribed insulin, Lantus® (insulin glargine), by 78% and it will cap out-of-pocket costs for Lantus at \$35 for all patients with commercial insurance. In addition, Sanofi announced it will reduce the list price of its short-acting insulin, Apidra® (insulin glulisine), by 70%. In June 2022, Sanofi launched unbranded Lantus at 60% less than brand Lantus. In January 2023, Sanofi raised the list price of brand Lantus by 3%. Sanofi will continue to offer copay assistance programs for commercially insured people, as well as pricing caps of \$35 for a 30-day supply of Sanofi insulins.

A summary of the insulin price reductions by each insulin provider is outlined in Table 1.

Table 1. Announced Insulin Product Price Reductions by Manufacturer					
Product	Product Type	WAC Price March 2023	New WAC Price Upcoming	New Price Date	Price Decrease
Lilly Insulins					
Humalog (insulin lispro)	Vial	\$274.40	\$82.41	4Q 2023	70%
	KwikPen	\$530.40	\$159.12		
Humulin	Vial	\$148.70	\$44.61		
	KwikPen	\$471.30	\$141.39		
Insulin lispro (unbranded Humalog)	Vial	\$82.40	\$25.00	5/1/2023	
Rezvoglar (insulin glargine) [Interchangeable biosimilar Lantus]	KwikPen		\$91.95	4/1/2023	78% Discount to Lantus
Novo Nordisk Insulins					
NovoLog (insulin aspart)	Vial	\$289.40	\$72.34	1/1/2024	75%
	FlexPen	\$558.90	\$139.71		
NovoLog Mix 70/30 (insulin aspart protamin/insulin aspart)	Vial	\$300.10	\$72.34		
	FlexPen	\$558.90	\$139.71		
Insulin aspart (unbranded Novolog)	Vial	\$144.70	\$72.34		
	FlexPen	\$279.45	\$139.71		
Insulin aspart protamine/insulin aspart 70/30 (unbranded NovoLog Mix 70/30)	Vial	\$150.10	\$72.34		
	FlexPen	\$279.45	\$139.71		
Levemir (insulin detemir)	Vial	\$308.10	\$107.85		65%
	FlexPen	\$462.15	\$161.77		
Novolin	Vial	\$137.70	\$48.20		
	FlexPen	\$260.25	\$91.09		
Sanofi Insulins					
Lantus (insulin glargine)	Vial	\$292.10	\$64.26	1/1/2024	78%
	SoloStar	\$438.00	\$96.36		
Apidra (insulin glulisine)	Vial	\$283.90	\$85.17		70%
	SoloStar	\$548.55	\$164.57		

The reason why the three insulin makers decided to cut prices now is somewhat unclear. In addition to mounting public pressure on the rising cost of insulin, the Inflation Reduction Act certainly was a primary contributor to this change. A new Medicaid rebate policy slated to take effect in 2024 likely had a significant influence on the manufacturers decisions as well. Currently the amount of Medicaid rebates that drug manufacturers pay are capped based on the quarterly average manufacturer’s price for any given drug. Beginning January 1, 2024, the previous Medicaid rebate cap will be removed. By lowering the cost of their drugs, insulin manufacturers will owe the government significantly less money in their required rebate payments. Spencer Perlman, the director of healthcare research at Veda Partners, estimated that Eli Lilly will avoid paying around \$430 million per year in new Medicaid rebates and Novo Nordisk would save \$350 million by lowering their prices. Manufacturers may make more money instead of less despite lowering insulin prices by as much as 75%. Conversely, Medicaid may pay more for insulin

therapy due to the lower amount of rebates they will receive from the pharmaceutical manufacturers despite the lower list prices.

The high insulin prices of today have caused many patients and their families to make difficult choices between paying for insulin or other life necessities. Reduced insulin adherence can lead to poor patient quality of life, numerous medical complications, and an increase in overall healthcare costs. With the lower list cost of insulins coming in the near future, payers will likely reevaluate the insulin class and potentially offer more product flexibility for patients and providers. It is possible that higher list price insulins may be less preferred by payers and patients. Ultimately, diabetic patients will benefit from the lower list prices on insulin products put forth by Eli Lilly, Novo Nordisk, and Sanofi and will help contribute to improved healthcare outcomes and avoid long-term diabetic complications.

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