

Statement of Chair Diana DeGette
Subcommittee on Oversight and Investigations
Hearing on “Priced Out of a Lifesaving Drug: Getting Answers on
the Rising Cost of Insulin”

April 10, 2019

Today, the Subcommittee holds its second hearing on the rising price of insulin. With seven and a half million Americans relying on insulin, this problem has affected countless lives. That is why this Committee is determined to find answers and find solutions.

As this Committee is well aware, despite the fact that insulin has been around for decades, it recently has become outrageously expensive. For instance, the price of insulin has doubled since 2012, after nearly tripling in the previous 10 years.

We have all heard the stories of what happens when patients cannot afford their insulin. People have to forego paying their bills, or ration their doses, or skip doses altogether.

I heard from a woman in my district, Sierra, who has been struggling over the past year and a half to pay for her insulin. Even after rationing her insulin, she's still paying over \$700 a month.

It is simply unacceptable that anyone in this country cannot access the drug their very lives depend on. All because the price of this drug – a drug that is nearly 100 years old – has gotten out of control.

As the Co-Chair of the Diabetes Caucus, this issue is personal for me. Along with my Co-Chair Congressman Tom Reed, we looked into these issues last year, and issued a report exposing some of the underlying problems in the insulin market. What we found was a system with perverse payment incentives, and a lack of transparency in pricing.

Then last week, the Subcommittee held its first hearing on this issue in the new Congress. We heard testimony from expert witnesses and patient advocates in the diabetes space. And their message was clear: insulin is unequivocally a lifesaving drug, but because of a

convoluted system, it has become more and more expensive – to the point where far too many can no longer afford it.

We heard from Gail DeVore, a native of Denver, Colorado, who is living with diabetes. Ms. DeVore described to the Committee how the price of her insulin has shot up, and she has to ration her doses, against the advice of her doctor.

We also heard from Dr. Alvin Powers, on behalf of the Endocrine Society, who testified, “It is difficult to understand how a drug that has remained unchanged for almost two decades continues to skyrocket in price.”

The Subcommittee also received testimony last week from Dr. William Cefalu on behalf of the American Diabetes Association. Dr. Cefalu spoke about the national survey the ADA conducted, which found that over a quarter of those who responded had to make changes

to their purchase of insulin due to cost – and those people had higher rates of adverse health effects.

The witnesses last week had many different stories about the effects of rising insulin prices. But one consistent theme that emerged from them was that the system is convoluted, opaque, and no longer serves the patient’s best interests. These witnesses were some of the nation’s leading experts on diabetes care, and yet they could not point to a reasonable explanation for why these prices have gotten so high.

And that is what leads us here today. We have representatives from the three drug companies that manufacture insulin, as well as three of the largest Pharmacy Benefit Managers (“PBMs”). Together, these companies are the ones that produce this drug, negotiate its price, and make decisions that have consequences for the availability and affordability of insulin for millions of Americans.

These companies play a large role in the supply chain of these critical drugs, and as such, they have received a lot of criticism in recent years for these price hikes. We will have questions for the witnesses today about these increases, and what could possibly justify such dramatic spikes. Today is an opportunity for them to shed light on the true causes of these price increases.

Now, this Committee is not interested in mere finger-pointing and passing the buck. Each of these companies before us today has a role in this problem, and that means they must also have a role in identifying solutions.

Likewise, our intention here today is not to unjustly assign blame to any one player – because it is clear that many entities share in the responsibility.

We need a frank discussion today about what is causing these increases, and what these companies can do to bring them under control.

As Ms. DeVore testified last week, “The relief we need is right now. Not next week. Or next year.” We need answers today – because the price of insulin has risen far enough, and too many people are suffering.

I thank the witnesses for appearing before us today, and I urge them all to be candid and forthcoming in their discussion of this very important topic.

I now yield.