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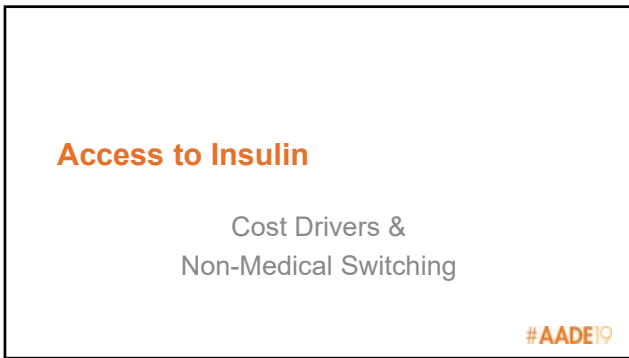
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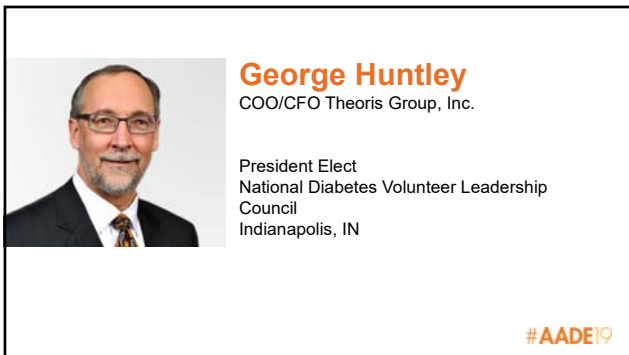
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**Stewart Perry**  
 LUCTF/Owner & State Farm Agent

Vice President Elect  
 National Diabetes Volunteer Leadership  
 Council  
 Lexington, KY

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### Disclosure to Participants

- Notice of Requirements For Successful Completion
  - Please refer to learning goals and objectives
  - Learners must attend the full activity and complete the evaluation in order to claim continuing education credit/hours
- Conflict of Interest (COI) and Financial Relationship Disclosures:
  - Presenter: George Huntley - No COI/Financial Relationship to disclose
  - Presenter: Stewart Perry - Consulting engagement: Novo Nordisk
  - NDVLC has an industry advisory board but is solely responsible for this presentation content
- Non-Endorsement of Products:
  - Accredited status does not imply endorsement by AADE, ANCC, ACPE or CDR of any commercial products displayed in conjunction with this educational activity
- Off-Label Use:
  - Participants will be notified by speakers to any product used for a purpose other than for which it was approved by the Food and Drug Administration.

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### Who We Are



 <p>501(c)(3) patient advocacy organization committed to securing effective, affordable health care and a discrimination-free environment for every person affected by diabetes</p>	 <p>Our members - all former leaders of national diabetes organizations - combine their passion for advocacy with decades of diabetes experience and leadership to advance patients-first policies at the local, state and national levels</p>
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[ndvlc.org](http://ndvlc.org) #AADE19

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**Objectives**

- Articulate how the current health coverage environment contributes to high out-of-pocket costs for insulin
- Connect people with diabetes insulin access resources
- Call to action: Local, state and national advocacy initiatives to reduce insulin costs

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**Access to Insulin Overview**

1. What's the problem
2. How we got here
3. How people with diabetes are impacted
4. View of a flawed system
5. What we can do about it

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**Access to Insulin Overview**

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### What's the Problem?

**2.3x**  
Higher average annual medical costs for a person with diabetes

**\$7,151**  
WITHOUT DIABETES



**\$16,752**  
WITH DIABETES



American Diabetes Association <https://diabetes.org/2017/08/08/0007>

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### What's the Problem?

THE EXPENSE OF INSULIN	MONTHLY COST @ LIST	MONTHLY COST \$35 COPAY/ 30% CO INSURANCE
Type 1 Pump User Cost		
Insulin	\$562.00	\$35.00
Cartridges	\$26.30	\$7.89
Infusion Sets	\$118.80	\$35.64
Test Strips	\$128.00	\$38.40
<b>Total Cost Per Month</b>	<b>\$835.10</b>	<b>\$116.93</b>

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### Access to Insulin Overview

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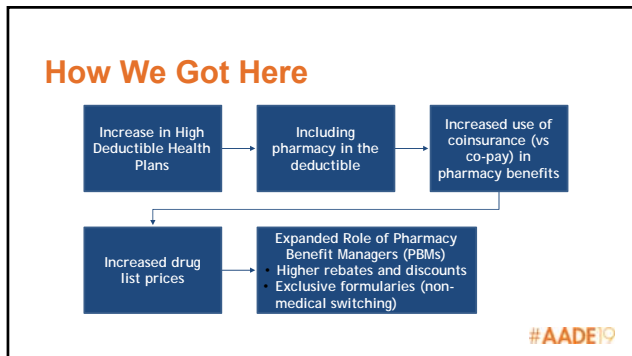
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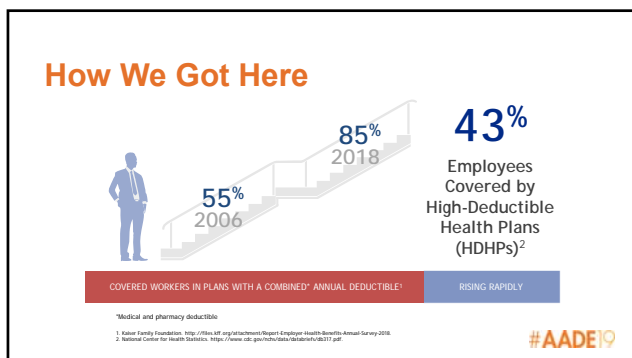
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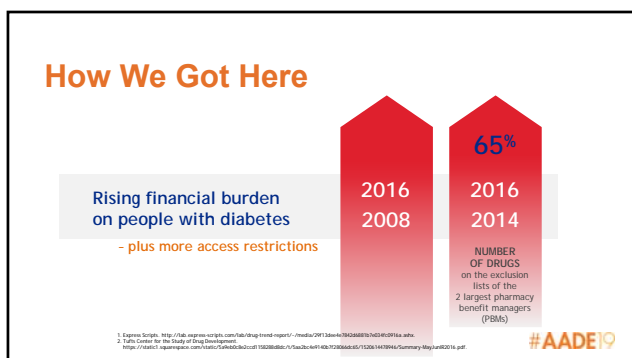
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## How We Got Here

HIGH INSULIN COSTS ARE A SYMPTOM OF DEEPER SYSTEMIC PROBLEMS

More health costs shifting to PWD - without distinguishing essential vs discretionary care

- Increase in high deductible health plans
- Combined medical and pharmacy deductibles
- Shifts from flat co-pay to co-insurance



As drug delivery and payment systems have grown more complex and opaque

- Drug list prices rise as multiple entities claim a piece of the pie
- Payers/PBMs use rebates and formularies to direct more treatment decisions - *What's covered vs what's best for the individual?*

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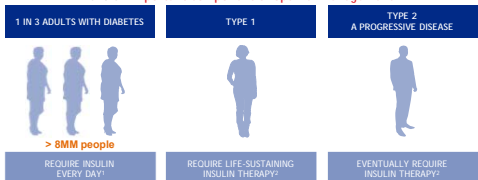
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## How People with Diabetes are Impacted

INSULIN IS A STANDARD OF CARE and an important component of optimal management



1. Centers for Disease Control and Prevention. <https://www.cdc.gov/diabetes/data/statistics/figs.htm>.  
 2. American Diabetes Association. Diabetes Care. 2018 Jan; 41(Supplement 1): S1-S18.

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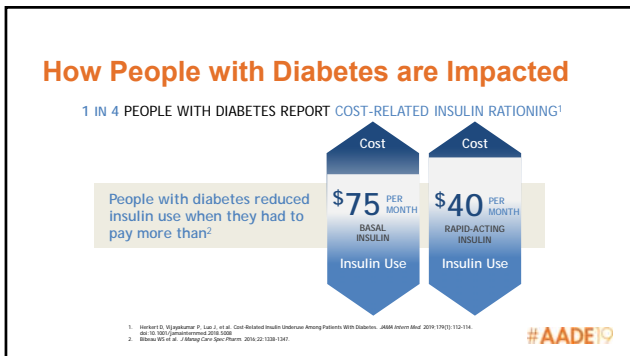
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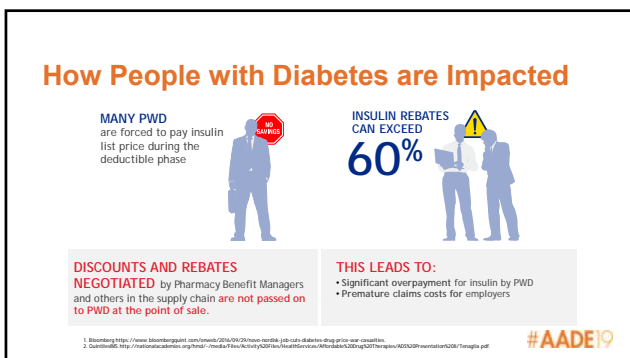
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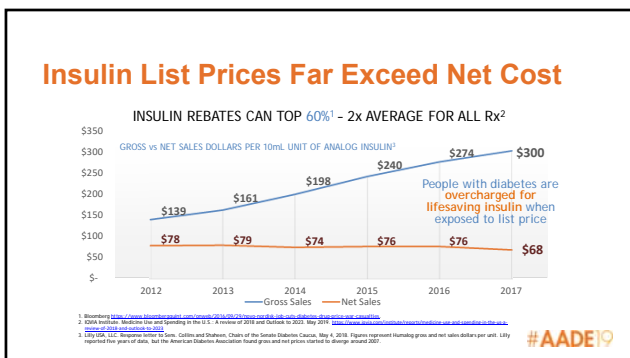
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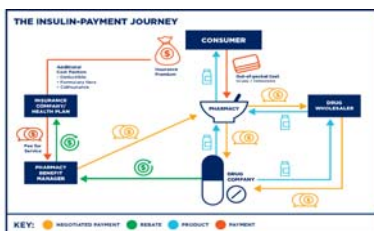
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## View of a Flawed System



### What's wrong?

- Rebates aren't passed through to consumers
- Access is restricted to insulin the plan prefers – not the person who uses it

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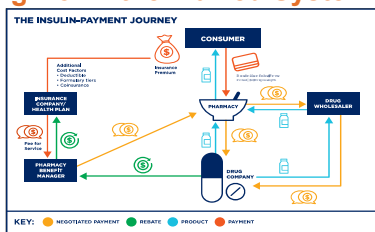
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## Breaking Down the Flawed System



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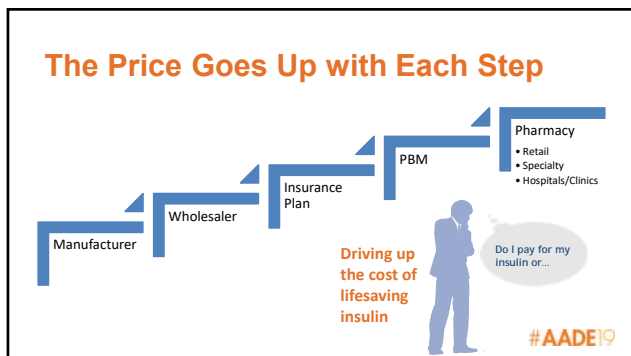
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### Rebates Drive Perverse Incentives

PBMs and Plans get more money when they cover the higher priced brand insulin rather than the less expensive biosimilar and those "savings" may not pass through to PWD

	Brand	Biosimilar
List Price	\$ 278.00	\$ 234.00
Assumed Rebate	60%	60%
Total Rebate	\$ 166.80	\$ 140.40
Assumed percent of rebate given to plan	90%	90%
- Rebate dollars received by plan	\$ 150.12	\$ 126.36
- Rebate dollars retained by PBM	\$ 16.68	\$ 14.04
Assumed patient coinsurance	20%	20%
- Patient cost	\$ 55.60	\$ 46.80
- Plan cost (net of rebate and patient coinsurance)	\$ 72.28	\$ 60.84
Manufacturer's net (list price minus total rebate)	\$ 111.20	\$ 93.60

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### Key Components of PBM Compensation

SOURCE	DESCRIPTION
<b>Retail Network Spread</b>	The difference between: <ul style="list-style-type: none"> <li>Ingredient cost reimbursement PBM receives from a payer</li> <li>Ingredient cost reimbursement PBM pays to a network pharmacy</li> </ul>
<b>Pharmacy Dispensing Profit</b>	The difference between: <ul style="list-style-type: none"> <li>Ingredient cost reimbursement PBM receives from a payer</li> <li>Drug acquisition cost to a PBM's mail or specialty pharmacy</li> </ul>
<b>Retained Rebates</b>	Percentage of manufacturer rebates PBM retains instead of passing through to plan sponsor
<b>Retained Price Protection</b>	Percentage of manufacturer price protection payments PBM retains instead of passing through to plan sponsor
<b>Administrative Fees</b>	Per-claim processing fees
<b>Service Revenues</b>	For-fee services provided to, or performance-based payments received from, pharmaceutical manufacturers

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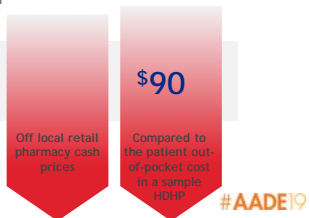
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### Meanwhile at the Pharmacy ...

People with diabetes may pay MORE for "covered" insulin than:

- The net cost to their insurance plan
- Discount cash price
- Pharmacy full cash price

In a recent NDVLC study, Using GoodRx, InsideRx or Blink Health to buy 1 vial of analog insulin would save consumers:




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### Access to Insulin Overview

1. What's the problem
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- 5. What we can do about it**

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### Help Is Available

No one should have to ration lifesaving insulin  
It's OK to ask for help

Understand and maximize coverage and don't take NO for an answer!	Ask for cash prices	Use retail discount programs	Enroll in manufacturer discount or patient assistance programs
Check prices at member warehouses	Find a community health center or other low-cost health provider	Talk to an employer about insulin costs - NDVLC can help!	Talk to your diabetes care team about lower cost options

Learn more at [ndvlc.org/reduce](http://ndvlc.org/reduce)

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## Raise Awareness: Help is Available

**National Diabetes Volunteer Leadership Council**

**Reducing Insulin Out-of-Pocket Costs**

NDVC is committed to [www.ndvc.org/insulin-offers](http://www.ndvc.org/insulin-offers). In the U.S. it's encouraging to see policymakers taking action to the problem, but policy changes take time and many people with diabetes struggle to afford insulin today.

Annual out-of-pocket and insured plans vary, but you are uninsured, underinsured or in a high deductible plan, you can use the health and other diabetes resources.

**Check your coverage first**  
If you have insurance, check your plan's website or service number on the back of your insurance card. Filing your prescriptions at a different retail or mail can change during the year or before you go.

**Ask for the pharmacy's cash price**

<http://ndvc.org/topics/ndvc-offers>  
<http://ndvc.org/insulin-offers>

**ACE Prescription Savings Directory**

<http://prescriptionhelp.ace.com/>

<http://www.diabeteseducator.org/ace>  
<http://diabetes-lookitup.affordability.com/resources>

**ACE**

**Access to Affordability Resources**

<http://www.diabeteseducator.org/ace>

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## Short Term Answers

Patient Assistance Programs	Co-Pay Assistance Programs	Prescription Discounts
<ul style="list-style-type: none"> <li>No cost to enroll</li> <li>Free insulin for people meeting eligibility requirements (300-400% FPL)</li> <li>Navigation is improving</li> <li>Still not widely known</li> </ul>	<ul style="list-style-type: none"> <li>No cost to enroll</li> <li>Significant discounts once enrolled</li> <li>May be temporary and/or capped</li> <li>May not count toward deductible and OOP (watch out for co-pay accumulators!)</li> </ul>	<ul style="list-style-type: none"> <li>No cost to enroll</li> <li>App-based and web</li> <li>No credit towards insurance deductible and OOP</li> </ul>

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## Available Today

LILLY	NOVO	SANOFI	
<p><b>Lilly Diabetes Solution Center</b></p> <p>Emergency voucher</p> <p>Co-pay cards/assistance</p> <p>*new* Insulin Lispro authorized generic</p> <p><a href="http://www.insulinaffordability.com">www.insulinaffordability.com</a></p>	<p><b>NovoCare Patient Affordability and Access Support</b></p> <p>Co-pay cards/assistance</p> <p>Cost sharing calculator</p> <p>\$25 Novolin ReilOn</p> <p><a href="http://www.novocare.com">www.novocare.com</a></p>	<p><b>Insulins Valyou Savings Program</b></p> <p>*new* \$99 per Rx up to 10 pens/vials per month for all Sanofi insulins</p> <p><a href="http://www.teamnovofordabetes.com/sanofi-diabetes-savings-program">http://www.teamnovofordabetes.com/sanofi-diabetes-savings-program</a></p>	<p>Assistance programs are expanding &amp; improving to reach <b>uninsured and underinsured</b></p>

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### Next up: Better Health Plan Design

NDVLC & JDRF Employer Initiative	
TARGETS	OBJECTIVES
<ul style="list-style-type: none"> <li>Large Employers</li> <li>Employer Groups / Coalitions</li> <li>Benefit Plan Design Consultants</li> </ul>	<ul style="list-style-type: none"> <li>Get insulin on preventive drug list (exempt from the deductible)</li> <li>Pass through rebates &amp; discounts at the pharmacy</li> <li>Low, predictable co-payments instead of coinsurance</li> <li>Broad access to available devices</li> </ul>

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### EXPOSING EMPLOYEES TO HIGH INSULIN COSTS RAISES RISK

**EXAMPLE**

SHIFTING COSTS INSTEAD OF SAVING

- Employees exposed to high insulin costs**
  - Insulin not covered as preventive
  - High list price exposure
  - HIPAs
  - Co-insurance vs. co-pays
  - Rebates not passed through at the point-of-sale
- Establishing a pattern of rationing insulin or other diabetes necessities**
  - Poorer short-term health
  - Worse long-term outcomes from diabetes and complications
- Employer risk and costs rise**
  - Incurring claim costs prematurely when employees hit their high deductible earlier in the year
  - Paying higher claims for unmanaged diabetes

JDRF NATIONAL DIABETES EDUCATION PROGRAM

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### JOIN THE EMPLOYER HONOR ROLL

**EXAMPLE**

JDRF AND NDVLC RECOGNIZE EMPLOYERS ARE PART OF THE SOLUTION TO HIGH INSULIN COSTS AND IMPROVING DIABETES OUTCOMES

#### LEARN FROM INSULIN ACCESS LEADERS

EMPLOYER HONOR ROLL SEE IF YOUR COMPANY QUALIFIES	SHARE YOUR STORY WITH US BUILD THE BUSINESS CASE	LET US SHARE YOUR STORY WITH OTHER EMPLOYERS
<ul style="list-style-type: none"> <li>Cover insulin as PREVENTIVE, exempt from deductibles</li> <li>Share discounts and rebates at the point-of-sale</li> <li>Low, fixed dollar co-payments</li> <li>Access to the full range of diabetes devices</li> </ul>	<p>How does your company structure health benefits to keep insulin affordable?</p> <p>How has it impacted your health costs? Employee health? Employee satisfaction and retention?</p>	<p>May we include your company story and logo on our <a href="#">Affordable Insulin Honor Roll</a>?</p> <p>Can you help us connect with other employers and employee health benefit organizations so others can follow your company's lead?</p>

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## Opportunities to Advocate

IRS guidelines issued in July 2019 allow – *but do not require* – pre-deductible coverage for diabetes necessities in HDHPs with HSAs

Talk to your HR department to improve diabetes coverage

Help PWD talk to their employers (NDVLC can help)

Pre-existing conditions coverage is at risk if the federal court strikes down the *Patient Protection and Affordable Care Act*

Contact your federal elected representatives to demand protections for pre-existing conditions coverage

- Guaranteed issue
- Community rating
- No exclusion periods

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## Call to Action!

**NDVLC Employer Plan Design Initiative**

Introduce NDVLC to HR benefits representatives for a discussion

<http://ndvlc.org/access-to-insulin-employer-initiative/>

**JDRF Coverage2Control Campaign**

Write insurance companies

<http://www.jdrf.org/get-involved/jdrf-advocacy/coverage2control/>

**DPAC Affordable Insulin Project**

Join the initiative Sign up for updates

[www.AffordableInsulinProject.org](http://www.AffordableInsulinProject.org)  
<http://diabetespac.org/join-dpac/>

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## Questions?



Thank you!

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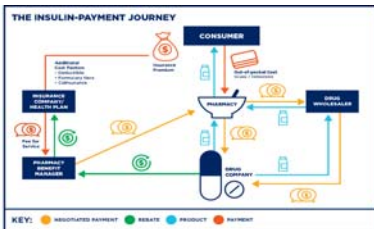
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## View of a Flawed System



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## HDHP Pre-Deductible Chronic Disease Care

IRS GUIDELINES ISSUED JULY 17, 2019, EXPAND THE DEFINITION OF PREVENTIVE CARE  
FIRST DOLLAR COVERAGE FOR DIABETES MANAGEMENT INCLUDES:

- ✓ Insulin and other glucose lowering agents
- ✓ Glucometer
- ✓ A1c testing
- ✓ Retinopathy screening

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