

SB 2140, Testimony in Opposition
Rick Becker, Bismarck

Mr. Chairman and members of the Human Services Committee,

I urge a Do Not Pass recommendation on SB2140, which aims to set a cap on the price of insulin and diabetic-related supplies.

Setting ceilings and floors to the price of goods is a policy typically employed by progressive, big-government-aligned elected officials, such as the Franklin Delano Roosevelt Administration which implemented numerous restrictions on not only the price of goods, but the price of labor. The problem intended to be solved with this bill is entirely the fault of government intervention. Rather than imposing more government control, the better solution would be to remove the original offending government interventions that caused the problem to begin with.

The reason insulin is overpriced is not because pharmaceutical companies are greedy or evil (although they may be). The reasons insulin is overpriced are very clear and relatively well known. They are as follows:

- Foreign imports are restricted/prohibited, thereby reducing the competitive market which drives prices down.
- Alternatives to the newest type of insulin are prohibited, again reducing competition in the marketplace. Although alternatives may be like choosing a 4-star hotel instead of a 5-star hotel, they would be a great option for those that are cost-conscious.
- Ridiculous FDA restrictions and regulations force pharmaceutical companies to undergo what is commonly a 12 year and 2.7 billion dollar effort to get their drug to market. This forces higher prices initially to recoup costs, and provides a barrier to market entry from smaller companies, again reducing the possibility of real market competition.
- Tenuous schemes to make the patent protection continue nearly indefinitely, called "Evergreening" can be prohibited.
- The revolving door of FDA personnel, lobbyists, and big pharma needs to end.
- The ability of big pharma to file frivolous lawsuits against smaller companies to prevent them from entering the market can be prohibited.

All of the above items are likely outside of the purview of state government, unfortunately. This is a situation in which the state needs to recognize that this is a Federal issue, and that "doing something" is not better than doing nothing. Especially when that something is just another layer of well-intentioned, but bad legislation.

Additionally, I think this is becoming a moot point. I refer you to the attached article dated March 1, 2023.

Please kill this bill.

-Rick Becker



(CNN) — Eli Lilly announced Wednesday a series of price cuts that would lower the price of the most commonly used forms of its insulin 70% and said it will automatically cap out-of-pocket insulin costs at \$35 for people who have private insurance and use participating pharmacies.

Lilly says it will also expand its Insulin Value Program, which caps out-of-pocket costs at \$35 or less per month for people who are uninsured.

President Joe Biden heralded the announcement as “a big deal.”

“For far too long, American families have been crushed by drug costs many times higher than what people in other countries are charged for the same prescriptions. Insulin costs less than \$10 to make, but Americans are sometimes forced to pay over \$300 for it. It’s flat wrong,” Biden said in a statement on Wednesday.

The President also urged other pharmaceutical companies to cut insulin prices.

“Last year, I signed a law to cap insulin at \$35 for seniors and I called on pharma companies to bring prices down for everyone on their own. Today, Eli Lilly did that. It’s a big deal, and it’s time for other manufacturers to follow,” Biden said.

Eli Lilly says it will cut the list price of its nonbranded insulin to \$25 a vial as of May 1, making it the lowest list-priced mealtime insulin available. Its current list price is \$82.41 for a vial.



Lilly will also lower the list price of Humulin and its most commonly prescribed insulin, Humalog, in the fourth quarter of 2023. The current list price of a Humalog vial is \$274.70, and the new list price will be \$66.40. For people with commercial insurance who use participating pharmacies, the out-of-pocket costs will now be capped at \$35.

RELATED ARTICLE

1.3 million Americans with diabetes rationed insulin in the past year, study finds

Although insulin is relatively inexpensive to manufacture, the cost has been a problem for many Americans for years. At least 16.5% of people in the US who use it report rationing it because of cost.