

Good morning, Mr. Chairman and members of the Appropriations Committee.

My name is Austen Schauer, District 13, West Fargo.

**HB 1114** received a **13-0 Do Pass** recommendation from the **GVA** committee, and we now seek your approval.

**HB 1114** is a bill required to be brought forward by the **NDPERS** Board after **SB 2140** was passed last session.

**SB 2140** required a pilot program for the **NDPERS** health insurance plan during the 2023 biennium. The bill set a **\$25 per month cap** for **insulin** and a **\$25 per month cap** for **diabetic supplies**.

For decades, people with diabetes and family members have been working to **bring down** the cost of life-giving insulin to a reasonable amount.

Insulin can be produced for less than **\$2/vial**.

In a recent lawsuit, the **Federal Trade Commission** accused **PBMs** and insulin companies of being anti-competitive.

The complaint says PBMs have increased insulin prices by **12 hundred percent** over the last 25 years. By 2019, one out of every four insulin patients were **unable** to afford their medications.

Diabetics advocates said **enough is enough**, which is why **SB 2140** was passed and became a pilot program.

The results of the two-year program produced a positive recommendation from the **NDPERS** Board to continue the coverage and here's why:



- The **NDPERS** plan carrier found that most of the diabetic supplies filled by the members cost less than the \$25/monthly cap, so there was minimal impact to member cost.
- The average savings of impacted members on the **NDPERS** plan was \$80 per member per month when compared to the prior year before the cap was in place.
- The cost to continue the coverage in the NDPERS health plan was an increase of **.12%** of premium.

There was even more compelling data from **Nova Rest**, the Actuarial Consulting firm asked to prepare a cost-benefit analysis for Legislative Council.

**Nova Rest** said **if** the bill is extended to include the commercial market, the cost may be as low as **.05% per member**.

**Nova Rest** also said savings from preventing more serious diseases may **offset** the cost of insulin.

In committee, we heard an argument that we should not interfere with the free market, however, there are only **three major companies** that control the market.

We believe the business communities can realize **true cost savings** when their employees are able to keep their diabetes under control.

With insulin costing North Dakota residents millions of dollars each year, **HB 1114** would provide **relief** for people on fully insured large employer plans. That would involve **11%** of the **Health Insurance Market**.

The Insurance Commissioner has already approved the cap for the individual and small employer markets.

People on self-funded plans **would not** be affected.

In committee, one of the proponents of **HB 1114** said, "People ask me, why should I have to pay for your insulin?"

Her response was, "Why should I have to pay for your premium?"

The state has more than **57 thousand adults** diagnosed with diabetes, and nearly **40% have pre-diabetes**.

Mr. Chairman and members of Appropriations, our hearing on **HB 1114** was long and emotional.

Some called insulin "*liquid gold*" and "*lifesaving*."

When insulin is affordable and available, diabetes related illnesses and diseases can be **reduced** and often **avoided**.

It's prevention that **saves money** and more importantly, **saves and extends life**.

Mr. Chairman, your **GVA Committee** seeks your support of **HB 1114**.

Thank you, Mr. Chairman. I stand open to questions.