TESTIMONY OF REBECCA FRICKE

House Bill 1114 – Insulin & Diabetic Supplies

Good Morning, my name is Rebecca Fricke. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appear before you today to provide information on how a pilot program relating to House Bill 1114 impacted the NDPERS active group health insurance plans and to provide testimony in support of the coverage being continued within the NDPERS active group health insurance plans.

House Bill 1114 is a bill required to be brought forward by the NDPERS Board due to the passing of SB 2140 during the 68th Legislative Assembly. SB 2140 was an insurance mandate that required a pilot program under the NDPERS active group health insurance plans during the 2023-2025 biennium. SB 2140 set a $25/month cap on the amount a member could be charged for insulin or diabetic supplies.

Specifically Section 4 of SB 2140 states:

> SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM - INSULIN DRUG AND SUPPLIES BENEFITS - REPORT. Pursuant to section 54-03-28, the public employees retirement system shall prepare and submit for introduction a bill to the sixty-ninth legislative assembly to repeal the expiration date for this Act and to extend the coverage of insulin drug and supplies benefits to all group and individual health insurance policies. The public employees retirement system shall append a report to the bill regarding the effect of the insulin drug and supplies benefits requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should be continued.

In addition to submitting the bill, the Board appended the necessary report and recommendation as required above to the draft bill considered by the Employee Benefits Programs Committee (EBPC) during the interim.

Some observations of the NDPERS active health insurance plan experience during the pilot program:

- For the 2023-2025 biennium, the cost in premium to provide the enhanced coverage of the cap was 0.14% of premium. There was not funding provided for this cost during the pilot program and therefore, reserves are being used to cover this expense.
- Sanford Health Plan found that the majority of the diabetic supplies filled by NDPERS members cost less that the $25/month cap so there was minimal impact to member cost share after the cap related to diabetic supplies was implemented.

- There are a number of states that have some form of cap on insulin and diabetic supplies. Specific details regarding these states is provided in Attachment 9 and Attachment 12 of the Report to the EBPC.
- Sanford Health Plan found that even though NDPERS members were paying a lower portion of the charge for insulin at the pharmacy, the health plan's total reimbursements were lower after the cap. This is due to a change that two pharmaceutical companies (Eli Lilly and Novo Nordisk) made effective January 1, 2024 to reduce their prices on insulin (Attachment 10 of Report). Those reduced prices resulted in less reimbursement by the plan (Attachment 4 of Report) for the final 6 months that data was provided for.
- Estimated member savings per month was $80.15 per member due to the cap based upon comparison with prior year claims data (Attachment 3 of Report).
- The insulin rate cap eliminated coinsurance on insulin claims between 7/1/2023-6/30/2024. Therefore none of the claims for insulin contributed any coinsurance to the $1,200 coinsurance maximum on the NDPERS grandfathered plan. However coinsurance continued to apply to other pharmacy claims so the $1,200 coinsurance expense may have been paid by the member on other pharmacy claims during the calendar year.
- Utilization for insulin and diabetic supplies did not change significantly after the inclusion of the insulin rate cap.
- Note that the information provided by Sanford Health Plan was as of the date the data was generated and represent claims from July 1, 2023 through June 30, 2024. At the time the report was generated, It is anticipated that there were still claims pending that had not been submitted for processing which could result in changes.

Deloitte Consulting, the insurance consultant for NDPERS, calculated the cost of continuing the coverage under the NDPERS active plans for the 2025-2027 biennium to be .12% of premium, or approximately $1,000,000.00 (Attachment 11 of Report). Of this amount, $833,956 is attributed to state agencies ($2.07 per contract), $159,922 is attributed to the participating political subdivisions and $6,748 is attributed to the Non-Medicare retirees and COBRA participants.

The NDPERS Board recommends that the coverage, a $25/month cap on insulin and diabetic supplies, provided through SB 2140 during the 2023-2025 biennium be continued as coverage within the NDPERS active health insurance plans.

The NDPERS Board does not offer a recommendation on whether the coverage should be expanded to the commercial market.

The Employee Benefits Programs Committee gave this bill a favorable recommendation during the interim.

This concludes my testimony. I would be happy to answer any questions you may have.

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Memorandum

TO: Employee Benefits Programs Committee

FROM: NDPERS Board

DATE: September 12, 2024

SUBJECT: Insulin/Diabetic Supplies Report and Recommendation

SB 2140 was passed during the 68th Legislative Session and requires a NDPERS pilot program for the 2023-2025 biennium. SB 2140 specifically required a monthly cap of $25/month for insulin and diabetic supplies within the NDPERS health insurance active plans and became effective July 1, 2023. The provisions expire at the end of the biennium.

Section 4 of SB 2140 is shown below and requires that the NDPERS Board submit a bill in the upcoming Session that would roll this coverage out to the commercial market in North Dakota. Draft bill # 118 (Attachment 1) is the bill that the Board approved for submission to the Employee Benefits Programs Committee.

In addition to the bill submission, Section 4 of SB 2140 requires the Board to "append a report to the bill regarding the effect of the insulin drug and supplies benefits requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should be continued."

> SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM - INSULIN DRUG AND SUPPLIES BENEFITS - REPORT. Pursuant to section 54-03-28, the public employees retirement system shall prepare and submit for introduction a bill to the sixty-ninth legislative assembly to repeal the expiration date for this Act and to extend the coverage of insulin drug and supplies benefits to all group and individual health insurance policies. The public employees retirement system shall append a report to the bill regarding the effect of the insulin drug and supplies benefits requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should be continued.

In order for the NDPERS Board to meet the obligation of appending a report to the bill, NDPERS requested that Sanford Health Plan (SHP) provide data for the year prior to and year following the July 1, 2023 SB 2140 effective date for comparison purposes.

NDPERS also requested our group insurance consultant, Deloitte, to prepare a cost and technical analysis of Draft Bill # 118 (Attachment 11). In addition, they were asked to conduct a market analysis of insulin and/or diabetic supply caps (Attachment 12).

Some observations of the NDPERS active health insurance plan experience during the pilot program:

- For the 2023-2025 biennium, the cost in premium to provide the enhanced coverage of the cap was .14% of premium. There was not funding provided for this cost during the pilot program and therefore, reserves are being used to cover this expense.
- Sanford Health Plan found that the majority of the diabetic supplies filled by NDPERS members cost less that the $25/month cap so there was minimal impact to member cost share after the cap was implemented related to diabetic supplies.
- There are a number of states that have some form of cap on insulin and diabetic supplies. Specific details regarding these states is provided in Attachment 9 and Attachment 12.
- Sanford Health Plan found that even though NDPERS members were paying a lower portion of the charge for insulin at the pharmacy, the health plan's total reimbursements were lower after the cap. This is due to a change that two pharmaceutical companies (Eli Lilly and Novo Nordisk) made effective January 1, 2024 to reduce their prices on insulin (Attachment 10). Those reduced prices resulted in less reimbursement by the plan (Attachment 4) for the final 6 months that data was provided for.
- Estimated member savings per month was $80.15 per member due to the cap based upon comparison with prior year claims data (Attachment 3).
- The insulin rate cap eliminated coinsurance on insulin claims between 7/1/2023-6/30/2024. Therefore none of claims for insulin contributed any coinsurance to the $1,200 coinsurance maximum on the grandfathered plan. However coinsurance continued to apply to other pharmacy claims so the $1,200 coinsurance expense may have been paid by the member on other pharmacy claims during the calendar year.
- Utilization for insulin and diabetic supplies did not change significantly after the inclusion of the insulin rate cap.
- Note that the information provided by Sanford Health Plan are as of the date the data was generated. It is anticipated that there are still claims pending that have not been submitted to SHP for processing that may result in changes.

RECOMMENDATION OF NDPERS BOARD:

Given the experience to the NDPERS active health insurance plan during the pilot program, the NDPERS Board recommends that the insulin and diabetic supplies cap of $25/month be continued for the NDPERS active health insurance plans beyond the 2023-2025 biennium.

Included for the Committee's review are the following attachments:

	Provided By	Description
Attachment 1	NDPERS	Draft Bill # 118
Attachment 2	Sanford Health Plan	Insulin Dashboard/Overview
Attachment 3	Sanford Health Plan	Insulin Member Savings Per Member/Per Month
Attachment 4	Sanford Health Plan	Average Paid for Insulin by Member and Plan
Attachment 5	Sanford Health Plan	Insulin Utilization & Adherence
Attachment 6	Sanford Health Plan	NDPERS Type 1 and Type 2 Diabetes Membership Data
Attachment 7	Sanford Health Plan	Insulin Details
Attachment 8	Sanford Health Plan	Diabetic Supplies Details
Attachment 9	Sanford Health Plan	Information regarding what other states have experienced that have implemented caps
Attachment 10	Sanford Health Plan	Details regarding changes that have occurred in the amount that the drug manufacturers are charging for insulin
Attachment 11	Deloitte	Consultant cost and technical analysis of Draft Bill # 118
Attachment 12	Deloitte	Market analysis related to SB 2140
Attachment 13	Sanford Health Plan	Per Member Per Month medical expense for Type 1 diabetics 12 months before and 12 months after the Insulin cap

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Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to individual and group health insurance coverage of insulin drugs and supplies; and to amend and reenact section 54-52.1-04.18 of the North Dakota Century Code, relating to health insurance benefits coverage of insulin drugs and supplies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Health insurance benefits coverage - Insulin drug and supply out-of-pocket limitations.

1. As used in this section:
   a. "Insulin drug" means a prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:
      (1) Rapid-acting insulin;
      (2) Short-acting insulin;
      (3) Intermediate-acting insulin;
      (4) Long-acting insulin;
      (5) Premixed insulin product;
      (6) Premixed insulin/GLP-1 RA product; and
      (7) Concentrated human regular insulin.
   b. "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical

emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:

(1) Blood glucose meters;

(2) Blood glucose test strips;

(3) Lancing devices and lancets;

(4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips;

(5) Glucagon, in injectable and nasal forms;

(6) Insulin pen needles; and

(7) Insulin syringes.

c. "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a prescription.

2. An insurance company, nonprofit health service corporation, or health maintenance organization may not deliver, issue, execute, or renew any health insurance policy, health service contract, or evidence of coverage on an individual, group, blanket, franchise, or association basis unless the policy, contract, or evidence of coverage provides benefits for insulin drug and medical supplies for insulin dosing and administration which complies with this section.

3. The health benefit plan must limit out-of-pocket costs for a thirty-day supply of:

a. Covered insulin drugs, which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs.

b. Covered medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.

4. The health benefit plan may not allow a pharmacy benefits manager or the pharmacy or distributor to charge, require the pharmacy or distributor to collect, or require a covered individual to make a payment for a covered insulin drug or medical supplies

for insulin dosing and administration in an amount exceeding the out-of-pocket limits under subsection 3.

5. The health benefit plan may not impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount under subsection 3.

6. Subsection 3 does not require the health benefit plan to implement a particular cost-sharing structure and does not prevent the limitation of out-of-pocket costs to less than the amount specified under subsection 3. This section does not limit whether the health benefit plan classifies an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor as a drug or as a medical device or supply.

7. If application of subsection 3 would result in the ineligibility of a health benefit plan that is a qualified high-deductible health plan to qualify as a health savings account under section 223 of the Internal Revenue Code [26 U.S.C. 223], the requirements of subsection 3 do not apply with respect to the deductible of the health benefit plan until after the enrollee has met the minimum deductible under section 26 U.S.C. 223.

8. This section does not apply to the Medicare part D prescription drug coverage plan.

SECTION 2. AMENDMENT. Section 54-52.1-04.18 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-04.18. Health insurance benefits coverage - Insulin drug and supply out-of-pocket limitations. ~~(Expired effective July 31, 2025)~~

~~1. As used in this section:~~

~~a. "Insulin drug" means a prescription drug that contains insulin and is used to treat a form of diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes insulin in the following categories:~~

~~(1) Rapid-acting insulin;~~

~~(2) Short-acting insulin;~~

~~(3) Intermediate-acting insulin;~~

~~(4) Long-acting insulin;~~

~~(5) Premixed insulin product;~~

~~(6) Premixed insulin/GLP-1 RA product; and~~

~~(7) Concentrated human regular insulin.~~

~~b. "Medical supplies for insulin dosing and administration" means supplies needed for proper insulin dosing, as well as supplies needed to detect or address medical emergencies in an individual using insulin to manage diabetes mellitus. The term does not include an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor, or supplies needed specifically for the use of such electronic devices. The term includes:~~

~~(1) Blood glucose meters;~~

~~(2) Blood glucose test strips;~~

~~(3) Lancing devices and lancets;~~

~~(4) Ketone testing supplies, such as urine strips, blood ketone meters, and blood ketone strips;~~

~~(5) Glucagon, in injectable and nasal forms;~~

~~(6) Insulin pen needles; and~~

~~(7) Insulin syringes.~~

~~c. "Pharmacy or distributor" means a pharmacy or medical supply company, or other medication or medical supply distributor filling a covered individual's prescriptions.~~

~~2.~~ The board shall provide health insurance benefits coverage that provides for insulin drug and medical supplies for insulin dosing and administration ~~which complies with this section~~as provided under section 1 of this Act.

~~3. The coverage must limit out-of-pocket costs for a thirty-day supply of:~~

~~a. Covered insulin drugs which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or type of insulin drug used to fill the covered individual's prescription needs.~~

~~b. Covered medical supplies for insulin dosing and administration, the total of which may not exceed twenty-five dollars per pharmacy or distributor, regardless of the quantity or manufacturer of supplies used to fill the covered individual's prescription needs.~~

~~4. The coverage may not allow a pharmacy benefits manager or the pharmacy or distributor to charge, require the pharmacy or distributor to collect, or require a covered individual to make a payment for a covered insulin drug or medical supplies for insulin dosing and administration in an amount that exceeds the out-of-pocket limits set forth under subsection 3.~~

~~5. The coverage may not impose a deductible, copayment, coinsurance, or other cost-sharing requirement that causes out-of-pocket costs for prescribed insulin or medical supplies for insulin dosing and administration to exceed the amount set forth under subsection 3.~~

~~6. Subsection 3 does not require the coverage to implement a particular cost-sharing structure and does not prevent the limitation of out-of-pocket costs to less than the amount specified under subsection 3. Subsection 3 does not limit out-of-pocket costs on an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor. This section does not limit whether coverage classifies an insulin pump, an electronic insulin-administering smart pen, or a continuous glucose monitor as a drug or as a medical device or supply.~~

~~7. If application of subsection 3 would result in the ineligibility of a health benefit plan that is a qualified high-deductible health plan to qualify as a health savings account under section 223 of the Internal Revenue Code [26 U.S.C. 223], the requirements of subsection 3 do not apply with respect to the deductible of the health benefit plan until after the enrollee has satisfied the minimum deductible under section 26 U.S.C. 223.~~

~~8. This section does not apply to the Medicare part D prescription drug coverage plan.~~

Attachment 2

Rx Type	Members with Pharmacy Claims for Insulin Before Insulin cap	Members with Pharmacy Claims for Insulin After Insulin cap	Change in Members	Pharmacy Claims Before Insulin cap	Pharmacy Claims After Insulin cap	Change in Claims	SHP Paid Amount Before Insulin cap	SHP Paid Amount After Insulin cap	Change in SHP Paid Amount**	Cost Share Amount (Copay + Coins) Before Insulin cap	Cost Share Amount After Insulin cap	Change in Cost Share Amounts
1-INSULIN	824	831	7	**5,480**	**5,440**	-40	$3,880,454	$3,110,731	($769,723)	$1,076,143	$250,567	**($825,576)**

Insulin Days of Supply (DOS) Group	Pharmacy Claims Before Insulin cap	Pharmacy Claims After Insulin cap	Change in Claims	% Change in claims	SHP Paid Amount Before Insulin cap	SHP Paid Amount After Insulin cap	Change in SHP Paid Amount	Cost Share Amount Before Insulin cap	Average Member Cost Share Before Insulin cap	Cost Share Amount After Insulin cap	Average Member Cost Share after Insulin cap*	Change in Cost Share Amount
01-30 DOS	2,009	1,950	-59	-3%	$1,184,018	$941,455	($242,563)	$321,298	$160	$47,573	$24	($273,725)
31-60 DOS	2,119	2,071	-48	-2%	$1,512,316	$1,151,299	($361,017)	$404,759	$191	$99,934	$48	($304,825)
61+ DOS	1,352	1,419	67	5%	$1,184,119	$1,017,976	($166,143)	$350,087	$259	$103,110	$73	($246,977)
Total	**5,480**	**5,440**	**-40**	**-1%**	**$3,880,454**	**$3,110,731**	**($769,723)**	**$1,076,143**	**$196**	**$250,617**	**$46**	**($825,526)**

Before time period: July 1, 2022-June 30, 2023
After time period: July 1, 2023-June 30, 2024

*July 1, 2023 SHP implemented a $25 cap on 30 day supply of Insulin. Prior to July 1, 2023 benefits were based on 35 day supply without a cap.
**Jan 1, 2024 Insulin manufacturers, Novo Nordisk & Eli Lilly, reduced prices on their insulin and diabetic supplies in response to public & political pressure.

Attachment 3

Member Impact on Insulin Claims

	Before Insulin Cap (7/1/2022-6/30/2023)	After Insulin Cap (7/1/2023-6/30/2024)	Change	Percent Change
Total Member Months	10,153	9,694	(459)	-4.5%
Member Copay Amounts	$ 644,434.40	$ 250,566.93	$ (393,867.47)	-61.1%
Member Coinsurance Amounts	$ 431,709.02	$ -	$ (431,709.02)	-100.0%
Member Copay Per Member Per Month (PMPM)	$63.47	$25.85	($37.62)	-59.3%
Member Coinsurance Per Member Per Month (PMPM)	$42.52	$0.00	($42.52)	-100.0%
Total Member Cost Share PMPM	**$105.99**	**$25.85**	**($80.15)**	**-75.6%**

Note: Coinsurance may have applied to other pharmacy claims.

Attachment 4

DATE FILLED MONTH		2022-07	2022-08	2022-09	2022-10	2022-11	2022-12	2023-01	2023-02	2023-03	2023-04	2023-05	2023-06	2023-07	2023-08	2023-09	2023-10	2023-11	2023-12	2024-01	2024-02	2024-03	2024-04	2024-05	2024-06	Total
Rx Type	Days of Supply (DOS) Group	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	Average of Member Cost Share*	**Average of Member Cost Share for 12 mos**
1-INSULIN	**Total**	**$152**	**$134**	**$115**	**$118**	**$106**	**$100**	**$404**	**$373**	**$325**	**$268**	**$197**	**$162**	**$45**	**$46**	**$48**	**$47**	**$48**	**$48**	**$46**	**$48**	**$48**	**$47**	**$47**	**$36**	**$121**
	01-30 DOS	$114	$104	$102	$83	$97	$94	$350	$312	$259	$203	$154	$110	$24	$25	$25	$25	$25	$25	$25	$25	$25	$25	$25	$19	**$93**
	31-60 DOS	$143	$118	$109	$106	$95	$107	$436	$360	$304	$251	$187	$158	$48	$49	$49	$50	$49	$49	$50	$50	$50	$50	$50	$35	**$120**
	61+ DOS	$240	$204	$139	$191	$136	$98	$430	$531	$446	$391	$291	$238	$72	$74	$75	$73	$75	$74	$74	$74	$74	$74	$74	$58	**$164**
	Member Cost Share=Copay + Coinsurance																									

Rx Type	Days of Supply (DOS) Group	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP	Average Paid by SHP**	Average Paid by SHP**	Average Paid by SHP**	Average Paid by SHP**	Average Paid by SHP**	Average Paid by SHP**	**Average Paid by SHP for 12 mos**
1-INSULIN	**Total**	**$747**	**$724**	**$802**	**$766**	**$743**	**$854**	**$531**	**$583**	**$612**	**$670**	**$686**	**$698**	**$793**	**$760**	**$792**	**$805**	**$789**	**$851**	**$336**	**$341**	**$340**	**$321**	**$317**	**$372**	**$640**
	01-30 DOS	$585	$622	$639	$627	$625	$667	$463	$477	$566	$571	$597	$595	$665	$653	$635	$662	$688	$679	$301	$274	$301	$324	$273	$329	**$537**
	31-60 DOS	$764	$735	$739	$797	$774	$798	$579	$643	$587	$696	$680	$727	$761	$779	$770	$797	$753	$757	$308	$379	$281	$306	$325	$366	**$636**
	61+ DOS	$1,027	$864	$1,096	$931	$860	$1,144	$552	$695	$712	$776	$850	$797	$1,030	$913	$1,026	$1,007	$982	$1,174	$435	$373	$463	$339	$368	$433	**$795**

*July 1, 2023 SHP implemented a $25 cap on 30 day supply of Insulin. Prior to July 1, 2023 benefits were based on 35 day supply without a cap.

**Jan 1, 2024 Insulin manufacturers, Novo Nordisk & Eli Lilly, reduced prices on their insulin and diabetic supplies in response to public & political pressure.

Attachment 5

Rx Type	Days of Supply (DOS) Group	Total claims before Insulin cap	Total claims after to Insulin cap	Change in insulin claim count before & after Insulin cap
1-INSULIN	**Total**	**5,480**	**5,440**	**-1%**
	01-30 DOS	2,009	1,950	-3%
	31-60 DOS	2,119	2,071	-2%
	61+ DOS	1,352	1,419	5%

*July 1, 2023 SHP implemented a $25 cap on 30 day supply of Insulin. Prior to July 1, 2023 benefits were based on 35 day supply without a cap.

PDC Adherence	Before Insulin Cap	After Insulin Cap	Difference
<80%	30.70%	28.10%	-2.6%
>=80%	69.30%	71.90%	2.6%

*The proportion of days covered (PDC) is used to estimate medication adherence.

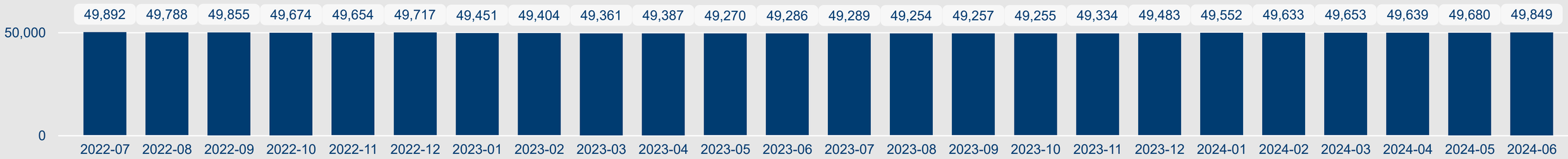
*PDC **>=80%** is considered adhering to their medication while **<80%** is considered not adhering.

*PDC calculation= (number of days covered) / (total days in time period) x 100

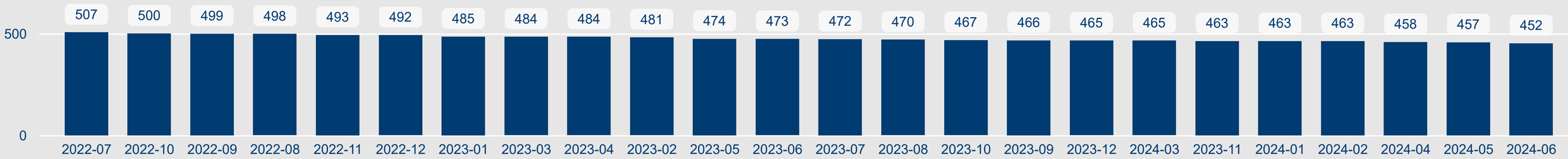
NDPERS COI Insulin & Diabetes Supplies Impact Analysis

Attachment 6

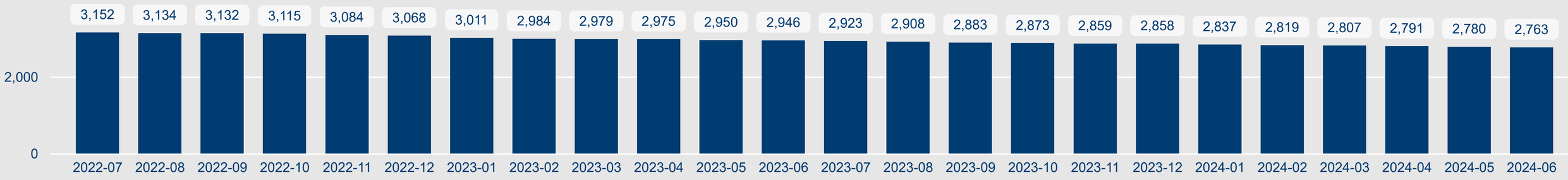
Total Members Months by Year Month



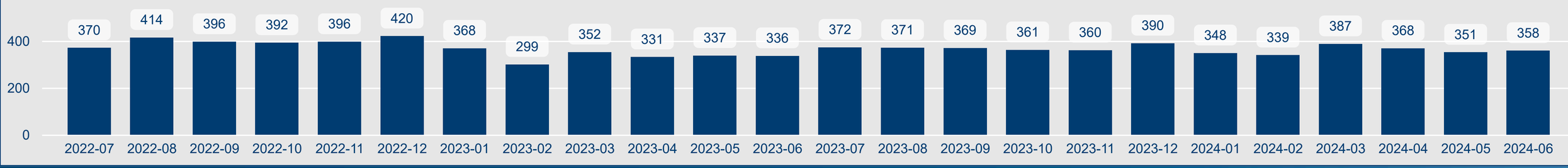
Member Months for Members with Type 1 Diabetes Diagnosis



Member Months for Members with Type 2 Diabetes Diagnosis



Distinct Count of Patient ID's with Insulin Rx Claims by Month Filled



Last Data Refresh: 08-15-2024 02:40 PM CT

Attachment 7

Rx Type	Days of Supply Group	DrugDESC	Members with Pharmacy Claims Before Insulin Cap	Members with Pharmacy Claims After Insulin Cap	Members with Pharmacy Claims Change	Pharmacy Claims Before Insulin Cap	Pharmacy Claims After Insulin Cap	Pharmacy Claim Change	SHP Paid Amount Before Insulin Cap	SHP Paid Amount After Insulin Cap	SHP PAID Amount Change	Copay Amount Before Insulin Cap	Copay Amount After Insulin Cap	Copay Amount Change	Coinsurance Amount Before Insulin Cap	Coinsurance Amount After Insulin Cap	Coinsurance Amount Change	Total Member cost Share before to Insulin cap	Ave Member Cost Share before Insulin Cap	Total Member cost Share after Insulin Cap	Ave Member cost Share after Insulin Cap	Member Savings from Insulin Cap
1-INSULIN	**Total**		**1,964**	**2,119**	**155**	**5,480**	**5,440**	**-40**	**$ 3,880,454**	**$ 3,110,731**	**$ (769,723)**	**$ 644,434**	**$ 250,567**	**$ (393,867)**	**$ 431,709**	**0**	**$ (431,709)**	**$ 1,076,143**	**$196**	**$ 250,567**	**$46**	**$ (825,576)**
	01-30 DOS	**Total**	**541**	**562**	**21**	**2,009**	**1,950**	**-59**	**$1,184,018**	**$941,455**	**($242,563)**	**$186,043**	**$47,523**	**($138,519)**	**$135,255**	**$0**	**($135,255)**	$321,298	**$160**	$47,523	**$24**	**($273,775)**
		BASAGLAR INJ	10	8	-2	39	36	-3	$5,546	$10,553	$5,007	$6,716	$900	($5,816)	$5,546	$0	($5,546)	$12,263	**$314**	$900	**$25**	($11,363)
		FIASP INJ	9	5	-4	27	27	0	$15,318	$22,286	$6,968	$2,816	$675	($2,141)	$2,141	$0	($2,141)	$4,957	**$184**	$675	**$25**	($4,282)
		FIASP FLEX INJ TOUCH	18	18	0	69	59	-10	$39,827	$44,458	$4,631	$7,243	$1,475	($5,768)	$4,682	$0	($4,682)	$11,925	**$173**	$1,475	**$25**	($10,450)
		FIASP PENFIL INJ U	3	2	-1	7	7	0	$3,458	$4,093	$635	$815	$175	($640)	$640	$0	($640)	$1,454	**$208**	$175	**$25**	($1,279)
		HUMALOG INJ		1	1	0	4	4	$0	$40	$40	$0	$100	$100	$0	$0	$0	$0	**#DIV/0!**	$100	**$25**	$100
		HUMALOG KWIK INJ	7	7	0	26	22	-4	$20,946	$41,683	$20,737	$21,726	$550	($21,176)	$20,946	$0	($20,946)	$42,672	**$1,641**	$550	**$25**	($42,122)
		HUMULIN R INJ U	3	3	0	34	20	-14	$58,502	$41,713	($16,788)	$3,398	$500	($2,898)	$2,548	$0	($2,548)	$5,947	**$175**	$500	**$25**	($5,447)
		INS DEGL FLX INJ	7	17	10	11	62	51	$3,293	$16,459	$13,166	$918	$1,525	$607	$643	$0	($643)	$1,562	**$142**	$1,525	**$25**	($37)
		INSULIN ASPA INJ	1	1	0	14	9	-5	$177	$181	$4	$558	$225	($333)	$177	$0	($177)	$735	**$53**	$225	**$25**	($510)
		INSULIN ASPA INJ FLEXPEN	1		-1	4	0	-4	$0	$0	$0	$20	$0	($20)	$0	$0	$0	$20	**$5**	$0	**#DIV/0!**	($20)
		LANTUS INJ	15	7	-8	32	9	-23	$17,758	$4,939	($12,819)	$3,281	$225	($3,056)	$2,481	$0	($2,481)	$5,763	**$180**	$225	**$25**	($5,538)
		LANTUS SOLOS INJ	75	88	13	305	278	-27	$118,902	$64,772	($54,130)	$18,698	$6,528	($12,170)	$11,073	$0	($11,073)	$29,771	**$98**	$6,528	**$23**	($23,242)
		LEVEMIR INJ		2	2	0	5	5	$0	$814	$814	$0	$125	$125	$0	$0	$0	$0	**#DIV/0!**	$125	**$25**	$125
		LEVEMIR INJ FLEXPEN	20	34	14	49	128	79	$25,106	$51,066	$25,959	$3,638	$3,200	($438)	$2,413	$0	($2,413)	$6,052	**$124**	$3,200	**$25**	($2,852)
		LEVEMIR INJ FLEXTOUC	28		-28	115	0	-115	$51,216	$0	($51,216)	$7,490	$0	($7,490)	$4,615	$0	($4,615)	$12,106	**$105**	$0	**#DIV/0!**	($12,106)
		NOVOLIN INJ	1		-1	8	0	-8	$1,740	$0	($1,740)	$449	$0	($449)	$249	$0	($249)	$697	**$87**	$0	**#DIV/0!**	($697)
		NOVOLIN N INJ	1	1	0	2	1	-1	$549	$231	($318)	$233	$25	($208)	$183	$0	($183)	$416	**$208**	$25	**$25**	($391)
		NOVOLIN R INJ U		1	1	0	7	7	$0	$2,429	$2,429	$0	$150	$150	$0	$0	$0	$0	**#DIV/0!**	$150	**$21**	$150
		NOVOLOG INJ	99	92	-7	367	396	29	$250,980	$200,688	($50,292)	$38,789	$9,795	($28,994)	$29,769	$0	($29,769)	$68,558	**$187**	$9,795	**$25**	($58,763)
		NOVOLOG INJ FLEX REL		1	1	0	1	1	$0	$59	$59	$0	$25	$25	$0	$0	$0	$0	**#DIV/0!**	$25	**$25**	$25
		NOVOLOG INJ FLEXPEN	148	154	6	507	510	3	$336,948	$226,716	($110,233)	$42,781	$12,400	($30,381)	$30,181	$0	($30,181)	$72,962	**$144**	$12,400	**$24**	($60,562)
		NOVOLOG INJ PENFILL	8	10	2	46	47	1	$17,126	$15,460	($1,666)	$3,846	$1,175	($2,671)	$2,696	$0	($2,696)	$6,542	**$142**	$1,175	**$25**	($5,367)
		NOVOLOG MIX INJ FLEXPEN	1	5	4	3	8	5	$1,507	$2,468	$960	$82	$200	$118	$7	$0	($7)	$89	**$30**	$200	**$25**	$111
		SEMGLEE INJ	1	1	0	1	1	0	$3	$25	$22	$33	$25	($8)	$3	$0	($3)	$35	**$35**	$25	**$25**	($10)
		SOLIQUA INJ	5	3	-2	28	16	-12	$20,590	$13,112	($7,478)	$2,102	$400	($1,702)	$1,402	$0	($1,402)	$3,504	**$125**	$400	**$25**	($3,104)
		TOUJEO MAX INJ	10	19	9	41	35	-6	$30,760	$26,925	($3,835)	$2,976	$825	($2,151)	$1,951	$0	($1,951)	$4,928	**$120**	$825	**$24**	($4,103)
		TOUJEO SOLO INJ	28	41	13	117	101	-16	$34,894	$34,795	($99)	$6,277	$2,350	($3,927)	$3,627	$0	($3,627)	$9,903	**$85**	$2,350	**$23**	($7,553)
		TRESIBA FLEX INJ	39	40	1	144	151	7	$114,978	$102,587	($12,390)	$9,024	$3,700	($5,324)	$5,474	$0	($5,474)	$14,499	**$101**	$3,700	**$25**	($10,799)
		XULTOPHY INJ	3	1	-2	13	10	-3	$13,893	$12,902	($991)	$2,133	$250	($1,883)	$1,808	$0	($1,808)	$3,941	**$303**	$250	**$25**	($3,691)
	31-60 DOS	**Total**	**679**	**739**	**60**	**2,119**	**2,071**	**-48**	**$1,512,316**	**$1,151,299**	**($361,017)**	**$248,465**	**$99,934**	**($148,531)**	**$156,294**	**$0**	**($156,294)**	$404,759	**$191**	$99,934	**$48**	**($304,825)**
		BASAGLAR INJ	15	14	-1	40	43	3	$5,476	$16,806	$11,330	$7,847	$2,150	($5,697)	$5,477	$0	($5,477)	$13,323	**$333**	$2,150	**$50**	($11,173)
		FIASP INJ	5	8	3	14	28	14	$10,165	$20,837	$10,672	$1,750	$1,350	($400)	$1,100	$0	($1,100)	$2,851	**$204**	$1,350	**$48**	($1,501)
		FIASP FLEX INJ TOUCH	7	18	11	20	53	33	$10,292	$35,885	$25,593	$1,718	$2,650	$932	$868	$0	($868)	$2,586	**$129**	$2,650	**$50**	$64
		HUMALOG KWIK INJ	3	3	0	12	11	-1	$14,426	$25,271	$10,845	$14,996	$550	($14,446)	$14,426	$0	($14,426)	$29,422	**$2,452**	$550	**$50**	($28,872)
		HUMULIN R INJ U	2		-2	3	0	-3	$5,480	$0	($5,480)	$497	$0	($497)	$372	$0	($372)	$869	**$290**	$0	**#DIV/0!**	($869)
		INS DEGL FLX INJ	7	21	14	15	47	32	$2,246	$8,229	$5,983	$1,046	$2,150	$1,104	$296	$0	($296)	$1,341	**$89**	$2,150	**$46**	$809
		INSULIN ASPA INJ	1		-1	2	0	-2	$61	$0	($61)	$151	$0	($151)	$61	$0	($61)	$212	**$106**	$0	**#DIV/0!**	($212)
		LANTUS INJ	10	11	1	42	36	-6	$29,238	$19,564	($9,673)	$4,560	$1,700	($2,860)	$2,610	$0	($2,610)	$7,171	**$171**	$1,700	**$47**	($5,471)
		LANTUS SOLOS INJ	122	144	22	403	420	17	$175,193	$112,512	($62,681)	$40,430	$20,080	($20,351)	$22,015	$0	($22,015)	$62,446	**$155**	$20,080	**$48**	($42,366)
		LEVEMIR INJ	2	1	-1	3	1	-2	$581	$231	($349)	$294	$50	($244)	$194	$0	($194)	$487	**$162**	$50	**$50**	($437)
		LEVEMIR INJ FLEXPEN	22	32	10	50	112	62	$23,960	$47,669	$23,709	$5,630	$5,475	($155)	$3,445	$0	($3,445)	$9,074	**$181**	$5,475	**$49**	($3,600)
		LEVEMIR INJ FLEXTOUC	27		-27	70	0	-70	$40,557	$0	($40,557)	$7,250	$0	($7,250)	$4,125	$0	($4,125)	$11,375	**$162**	$0	**#DIV/0!**	($11,375)
		NOVOLIN INJ	1	1	0	1	5	4	$371	$1,415	$1,045	$174	$250	$76	$124	$0	($124)	$297	**$297**	$250	**$50**	($47)
		NOVOLIN N INJ	3		-3	3	0	-3	$877	$0	($877)	$417	$0	($417)	$292	$0	($292)	$710	**$237**	$0	**#DIV/0!**	($710)
		NOVOLIN N INJ U	1	1	0	1	1	0	$63	$4	($59)	$71	$50	($21)	$21	$0	($21)	$92	**$92**	$50	**$50**	($42)
		NOVOLIN R INJ U	2	1	-1	7	8	1	$472	$227	($245)	$448	$370	($78)	$98	$0	($98)	$546	**$78**	$370	**$46**	($177)
		NOVOLOG INJ	105	91	-14	361	352	-9	$309,214	$207,740	($101,474)	$45,031	$17,310	($27,721)	$30,568	$0	($30,568)	$75,600	**$209**	$17,310	**$49**	($58,290)
		NOVOLOG INJ FLEX REL	1		-1	5	0	-5	$196	$0	($196)	$261	$0	($261)	$11	$0	($11)	$271	**$54**	$0	**#DIV/0!**	($271)
		NOVOLOG INJ FLEXPEN	165	176	11	517	467	-50	$474,597	$259,790	($214,807)	$56,701	$22,250	($34,451)	$34,998	$0	($34,998)	$91,699	**$177**	$22,250	**$48**	($69,449)
		NOVOLOG INJ PENFILL	6	7	1	27	28	1	$25,521	$24,062	($1,459)	$4,509	$1,400	($3,109)	$3,284	$0	($3,284)	$7,793	**$289**	$1,400	**$50**	($6,393)
		NOVOLOG MIX INJ FLEXPEN	4	6	2	21	18	-3	$18,290	$12,888	($5,403)	$2,321	$900	($1,421)	$1,546	$0	($1,546)	$3,867	**$184**	$900	**$50**	($2,967)
		SOLIQUA INJ	6	5	-1	19	15	-4	$11,877	$11,602	($274)	$3,496	$750	($2,746)	$2,546	$0	($2,546)	$6,042	**$318**	$750	**$50**	($5,292)
		TOUJEO MAX INJ	13	32	19	30	44	14	$36,768	$51,357	$14,588	$2,938	$1,900	($1,038)	$1,588	$0	($1,588)	$4,526	**$151**	$1,900	**$43**	($2,626)
		TOUJEO SOLO INJ	40	75	35	90	104	14	$78,357	$84,480	$6,122	$8,103	$5,150	($2,953)	$4,578	$0	($4,578)	$12,680	**$141**	$5,150	**$50**	($7,530)
		TRESIBA FLEX INJ	109	92	-17	363	278	-85	$238,037	$210,730	($27,307)	$37,827	$13,450	($24,377)	$21,652	$0	($21,652)	$59,478	**$164**	$13,450	**$48**	($46,028)
	61+ DOS	**Total**	**744**	**818**	**74**	**1,352**	**1,419**	**67**	**$1,184,119**	**$1,017,976**	**($166,143)**	**$209,927**	**$103,110**	**($106,817)**	**$140,160**	**$0**	**($140,160)**	$350,087	**$259**	$103,110	**$73**	**($246,977)**
		BASAGLAR INJ	8	15	7	22	31	9	$5,300	$15,762	$10,462	$6,620	$2,325	($4,295)	$5,300	$0	($5,300)	$11,919	**$542**	$2,325	**$75**	($9,594)
		FIASP INJ	8	11	3	20	22	2	$27,305	$38,480	$11,175	$4,855	$1,650	($3,205)	$3,855	$0	($3,855)	$8,710	**$436**	$1,650	**$75**	($7,060)
		FIASP FLEX INJ TOUCH	13	13	0	22	28	6	$25,122	$38,064	$12,942	$3,941	$2,100	($1,841)	$2,841	$0	($2,841)	$6,781	**$308**	$2,100	**$75**	($4,681)
		FIASP PENFIL INJ U		2	2	0	3	3	$0	$2,265	$2,265	$0	$225	$225	$0	$0	$0	$0	**#DIV/0!**	$225	**$75**	$225

GLARGIN YFGN INJ		1	1	0	1	1	$0	$0	$0	$0	$65	$65	$0	$0	$0	$0	#DIV/0!	$65	$65	$65
HUMALOG INJ		1	1	0	1	1	$0	$1,810	$1,810	$0	$75	$75	$0	$0	$0	$0	#DIV/0!	$75	$75	$75
HUMALOG KWIK INJ		2	2	0	3	3	$0	$13,697	$13,697	$0	$225	$225	$0	$0	$0	$0	#DIV/0!	$225	$75	$225
HUMULIN R INJ U	1		-1	1	0	-1	$0	$0	$0	$15	$0	($15)	$0	$0	$0	$15	$15	$0	#DIV/0!	($15)
INS DEGL FLX INJ	6	51	45	8	80	72	$3,096	$20,187	$17,090	$497	$5,745	$5,248	$97	$0	($97)	$593	$74	$5,745	$72	$5,152
INSULIN ASPA INJ	1	5	4	1	6	5	$30	$2,817	$2,787	$90	$450	$360	$30	$0	($30)	$120	$120	$450	$75	$330
INSULIN GLAR INJ	1		-1	3	0	-3	$0	$0	$0	$135	$0	($135)	$0	$0	$0	$135	$45	$0	#DIV/0!	($135)
INSULIN LISP INJ	1	2	1	2	4	2	$397	$284	($113)	$517	$300	($217)	$397	$0	($397)	$914	$457	$300	$75	($614)
LANTUS INJ	9	5	-4	16	11	-5	$19,683	$10,374	($9,309)	$3,688	$825	($2,863)	$2,888	$0	($2,888)	$6,576	$411	$825	$75	($5,751)
LANTUS SOLOS INJ	181	202	21	341	351	10	$184,707	$115,903	($68,804)	$43,274	$25,395	($17,879)	$26,016	$0	($26,016)	$69,290	$203	$25,395	$72	($43,895)
LEVEMIR INJ	2	1	-1	4	4	0	$2,096	$1,946	($150)	$539	$300	($239)	$339	$0	($339)	$877	$219	$300	$75	($577)
LEVEMIR INJ FLEXPEN	25	36	11	29	62	33	$14,512	$33,791	$19,279	$4,057	$4,500	$443	$2,657	$0	($2,657)	$6,713	$231	$4,500	$73	($2,213)
LEVEMIR INJ FLEXTOUC	41	1	-40	59	1	-58	$34,413	$423	($33,989)	$6,776	$0	($6,776)	$3,826	$0	($3,826)	$10,601	$180	$0	$0	($10,601)
NOVOLIN N INJ	4	5	1	5	6	1	$871	$1,383	$512	$397	$375	($22)	$147	$0	($147)	$543	$109	$375	$63	($168)
NOVOLIN N INJ U	3	3	0	7	7	0	$2,998	$2,688	($310)	$1,349	$525	($824)	$999	$0	($999)	$2,349	$336	$525	$75	($1,824)
NOVOLIN R INJ		1	1	0	1	1	$0	$159	$159	$0	$75	$75	$0	$0	$0	$0	#DIV/0!	$75	$75	$75
NOVOLIN70/3	2	2	0	5	2	-3	$1,136	$455	($681)	$376	$150	($226)	$126	$0	($126)	$502	$100	$150	$75	($352)
NOVOLOG INJ	124	125	1	236	280	44	$332,261	$279,531	($52,730)	$56,318	$20,364	($35,954)	$43,107	$0	($43,107)	$99,425	$421	$20,364	$73	($79,061)
NOVOLOG INJ FLEX REL	2	4	2	2	6	4	$55	$306	$252	$118	$425	$307	$18	$0	($18)	$136	$68	$425	$71	$289
NOVOLOG INJ FLEXPEN	134	142	8	244	242	-2	$230,703	$174,500	($56,203)	$33,428	$17,441	($15,987)	$21,623	$0	($21,623)	$55,051	$226	$17,441	$72	($37,610)
NOVOLOG INJ PENFILL	6	7	1	9	11	2	$12,584	$13,122	$538	$1,915	$825	($1,090)	$1,465	$0	($1,465)	$3,380	$376	$825	$75	($2,555)
NOVOLOG INJ RELION	1	1	0	2	4	2	$701	$1,449	$748	$334	$300	($34)	$234	$0	($234)	$567	$284	$300	$75	($267)
NOVOLOG MIX INJ FLEXPEN	3	2	-1	7	3	-4	$8,005	$2,897	($5,108)	$926	$225	($701)	$576	$0	($576)	$1,502	$215	$225	$75	($1,277)
SOLIQUA INJ	5	1	-4	8	1	-7	$13,283	$720	($12,562)	$1,287	$75	($1,212)	$987	$0	($987)	$2,273	$284	$75	$75	($2,198)
TOUJEO MAX INJ	12	29	17	17	22	5	$12,145	$20,452	$8,307	$1,930	$1,575	($355)	$1,115	$0	($1,115)	$3,046	$179	$1,575	$72	($1,471)
TOUJEO SOLO INJ	32	62	30	55	53	-2	$42,520	$49,060	$6,539	$6,827	$3,825	($3,002)	$4,177	$0	($4,177)	$11,003	$200	$3,825	$72	($7,178)
TRESIBA INJ	1	2	1	4	5	1	$3,361	$5,358	$1,997	$461	$375	($86)	$261	$0	($261)	$722	$180	$375	$75	($347)
TRESIBA FLEXTINJ	117	83	-34	222	167	-55	$206,700	$168,964	($37,736)	$29,165	$12,300	($16,865)	$17,036	$0	($17,036)	$46,201	$208	$12,300	$74	($33,901)
XULTOPHY INJ	1	1	0	1	1	0	$136	$1,129	$993	$95	$75	($20)	$45	$0	($45)	$141	$141	$75	$75	($66)

No filters applied

Attachment 8

Rx Type	Days of Supply (DOS) Group		Members with Pharmacy Claims Before Insulin Cap	Members with Pharmacy Claims After Insulin Cap	Members with Pharmacy Claims Change	Pharmacy Claims Before Insulin Cap	Pharmacy Claims After Insulin Cap	Pharmacy Claim Change	SHP Paid Amount Before Insulin Cap	SHP Paid Amount After Insulin Cap	SHP PAID Amount Change	Copay Amount Before Insulin Cap	Copay Amount After Insulin Cap	Copay Amount Change	Coinsurance Amount Before Insulin Cap	Coinsurance Amount After Cap Insulin	CoinsuranceA mount Change	Total Member cost Share before to Insulin cap	Ave Member Cost Share before Insulin Cap	Total Member cost Share after Insulin Cap	Ave Member Cost Share after Insulin Cap	Member Savings from Insulin Cap
2-BLOOD GLUCOSE METERS	**Total**		**200**	**151**	**-49**	**143**	**103**	**-40**	**$2,436**	**$1,692**	**($744)**	**$634**	**$463**	**($171)**	**$634**	**$424**	**($211)**	**$1,268**	**$9**	**$886**	**$9**	**($382)**
	01-30 DOS	**Total**	190	141	-49	136	96	-40	$2,331	$1,608	($723)	$599	$414	($185)	$599	$414	($185)	$1,198	$9	$828	$9	($370)
	61+ DOS	**Total**	10	10	0	7	7	0	$106	$84	($21)	$35	$49	$14	$35	$10	($25)	$70	$10	$59	$8	($12)
3-BLOOD GLUCOSE TEST STRIPS	**Total**		**916**	**693**	**-223**	**1,729**	**1,226**	**-503**	**$156,322**	**$116,411**	**($39,911)**	**$33,349**	**$24,804**	**($8,545)**	**$32,285**	**$21,504**	**($10,781)**	**$65,634**	**$38**	**$46,308**	**$38**	**($19,326)**
	01-30 DOS	**Total**	247	190	-57	520	374	-146	$36,163	$26,476	($9,687)	$7,975	$5,745	($2,230)	$7,403	$4,679	($2,724)	$15,378	$30	$10,424	$28	($4,954)
	31-60 DOS	**Total**	335	256	-79	699	496	-203	$56,048	$40,930	($15,118)	$12,886	$9,739	($3,146)	$12,608	$8,868	($3,740)	$25,493	$36	$18,607	$38	($6,887)
	61+ DOS	**Total**	334	247	-87	510	356	-154	$64,110	$49,005	($15,106)	$12,488	$9,319	($3,169)	$12,274	$7,957	($4,317)	$24,762	$49	$17,277	$49	($7,486)
4-LANCETS AND LANCET DEVICES	**Total**		**448**	**372**	**-76**	**637**	**492**	**-145**	**$5,490**	**$4,160**	**($1,330)**	**$1,301**	**$1,153**	**($149)**	**$1,244**	**$992**	**($252)**	**$2,546**	**$4**	**$2,145**	**$4**	**($400)**
	01-30 DOS	**Total**	128	119	-9	199	160	-39	$1,541	$1,225	($315)	$376	$329	($47)	$350	$289	($61)	$726	$4	$618	$4	($108)
	31-60 DOS	**Total**	130	87	-43	189	125	-64	$1,541	$1,046	($495)	$386	$300	($87)	$377	$261	($117)	$763	$4	$560	$4	($203)
	61+ DOS	**Total**	190	166	-24	249	207	-42	$2,409	$1,888	($520)	$540	$524	($15)	$516	$442	($74)	$1,056	$4	$967	$5	($89)
5-KETONE TESTING	**Total**		**4**	**5**	**1**	**29**	**8**	**-21**	**$19,921**	**$4,360**	**($15,561)**	**$449**	**$15**	**($435)**	**$449**	**$15**	**($435)**	**$898**	$31	$29	$4	**($869)**
	01-30 DOS	**Total**	4	4	0	29	7	-22	$19,921	$4,352	($15,569)	$449	$12	($437)	$449	$12	($437)	$898	$31	$24	$3	($874)
	31-60 DOS	**Total**		1	1	0	1	1	$0	$8	$8	$0	$3	$3	$0	**$3**	**$3**	$0	#DIV/0!	$5	$5	$5
6-GLUCAGON	**Total**		**71**	**72**	**1**	**80**	**78**	**-2**	**$27,475**	**$34,864**	**$7,389**	**$6,623**	**$1,367**	**($5,257)**	**$5,028**	**$967**	**($4,062)**	**$11,652**	**$146**	**$2,334**	**$30**	**($9,318)**
	01-30 DOS	**Total**	71	72	1	80	78	-2	$27,475	$34,864	$7,389	$6,623	$1,367	($5,257)	$5,028	$967	($4,062)	$11,652	$146	$2,334	$30	($9,318)
7-SYRINGE/PEN NEEDLE	**Total**		**938**	**802**	**-136**	**1,638**	**1,391**	**-247**	**$112,768**	**$96,953**	**($15,815)**	**$7,502**	**$8,786**	**$1,284**	**$7,346**	**$7,587**	**$241**	**$14,848**	**$9**	**$16,374**	**$12**	**$1,525**
	01-30 DOS	**Total**	223	200	-23	544	463	-81	$26,042	$24,416	($1,626)	$1,827	$2,548	$720	$1,827	$2,111	$284	$3,654	$7	$4,659	$10	$1,005
	31-60 DOS	**Total**	161	173	12	322	294	-28	$25,803	$21,477	($4,326)	$1,593	$1,984	$391	$1,593	$1,889	$296	$3,185	$10	$3,872	$13	$687
	61+ DOS	**Total**	554	429	-125	772	634	-138	$60,922	$51,060	($9,863)	$4,082	$4,255	$173	$3,926	$3,587	($339)	$8,009	$10	$7,842	$12	($166)
	Grand TOTAL		**2,577**	**2,095**	**-482**	**4,256**	**3,298**	**-958**	**$ 324,411**	**$ 258,440**	**$ (65,971)**	**$ 49,860**	**$ 36,587**	**$ (13,273)**	**$ 46,987**	**$ 31,489**	**$ (15,498)**	**$ 96,847**		**$ 68,076**		**($28,771)**

NOTEWORTHY COMMENTS:

Continuous Glucose Monitors and Insulin Pumps may replace the need for some of these supplies.

252 NDPERS members enrolled in Livongo Diabetes program bewteen July 1, 2023- June 30, 2024. Livongo provides Blood Glucose Monitors & test strips to the participants.

Blood Glucose Meters, Test Strips & Lancets can be used by any diabetic including those not using insulin.

INSULIN & DIABETIC SUPPLY BRIEF

SANFORD HEALTH PLAN

PROGRAM BACKGROUND

In the landscape of healthcare affordability, few issues resonate as profoundly as the accessibility of insulin and diabetic supplies, especially within the United States. The soaring prices of these life-sustaining medications have sparked national outcry, prompting legislative actions in several states aimed at implementing price caps. As diabetes prevalence continues to rise, individuals facing this chronic condition grapple not only with its daily management but also with the financial burden imposed by escalating medication costs. Understanding the varied approaches and efficacy of state-level price caps is essential in assessing the impact on patients, healthcare systems, and the broader socio-economic landscape.

CURRENT LANDSCAPE OVERVIEW

In a recent discussion, it was highlighted that diabetics nationwide are set to benefit from reduced out-of-pocket costs for insulin, thanks to efforts by pharmaceutical companies. Sanofi has joined Eli Lilly and Novo Nordisk in capping insulin co-pays at $35. This move follows pressure from President Biden, lawmakers, and activists to lower drug prices.

Laura Barron-Lopez, White House correspondent, emphasized the significance of these measures. She noted that while Medicare beneficiaries automatically benefit from the $35 co-pay cap, those with private insurance or without insurance must navigate more complex processes to access the reduced costs. Advocates like Shaina Kasper of T1International suggest that a federal mandate is needed to ensure consistency in cost reductions.

Beyond insulin, other healthcare reforms are underway. For Medicare recipients, drug costs will be capped annually, starting at $3,300 in 2024 and decreasing to $2,000 by 2025. Additionally, Medicare now has the authority to negotiate drug prices, potentially saving billions over the next decade.

Despite these changes, there's a notable gap in public awareness. Many Americans are unaware of these reforms, complicating efforts to credit President Biden politically for these achievements. Analysts suggest that effective communication will be crucial for the administration to highlight these reforms ahead of the upcoming elections[1].

A gathering of families and advocates convened with Governor Doug Burgum at the North Dakota Capitol to commemorate a recent law that limits the cost of insulin for state employees' health insurance beneficiaries. Under this law, those covered by the state employee health plan now pay no more than $25 per month for insulin. Additionally, the law extends this monthly price cap to medical supplies needed to administer insulin.

Danelle Johnson, who supported the legislation during her testimony in 2023, expressed mixed feelings about its scope. Originally proposed to benefit all North Dakotans, the law was amended by lawmakers to apply solely to individuals under the Public Employees Retirement System's health insurance. Johnson acknowledged the legislation as a significant advancement but expressed a desire for broader accessibility to the price caps. She emphasized the importance of incremental progress over a stalemate in legislative action.

Insulin, critical for diabetes management, can cost hundreds of dollars per vial. A 2023 report by the Health Care Cost Institute indicated that average monthly insulin costs in the U.S. rose from $271 in 2012 to about $499 in 2021. The exorbitant prices often lead diabetes patients to ration their insulin or even skip

[1] https://www.pbs.org/newshour/show/new-law-caps-insulin-prices-for-some-with-diabetes-but-cost-remains-high-for-millions

treatment, risking severe health complications. In 2022, approximately 100,000 Americans died from diabetes, a figure similar to the number of deaths from drug overdoses reported by the CDC.

State Senator Tim Mathern, the bill's primary sponsor, highlighted the dire consequences of unaffordable medication, stressing the need for reform. Angela and Nina Kritzberger, also advocates for insulin affordability, were present at the ceremony. Both families recounted instances where insufficient access to insulin necessitated emergency medical interventions. Looking ahead, Mathern noted efforts to garner support for broader reforms in the upcoming legislative session. The law, effective since August 1, 2023, will remain in force until July 31, 2025, with an estimated cost of $900,000 over the 2023-2025 budget cycle. Although signed over a year ago, logistical issues delayed the official signing ceremony, according to Mathern. Additionally, the federal government implemented a $35 monthly insulin price cap for Medicaid patients through the Inflation Reduction Act signed by President Joe Biden in 2022[2].

Healthcare executives faced intense scrutiny from lawmakers on Capitol Hill during a House Energy and Commerce Committee hearing focused on insulin prices. Representative Jan Schakowsky of Illinois directly challenged panelists, expressing disbelief over their actions and warning of consequences. Amid the hearings, a social media suggestion resurfaced: patients should opt for Walmart's affordable insulin. Over the past decade, the cost of popular insulin brands has tripled, leading many Americans with Type 1 or Type 2 diabetes to ration their doses or skip treatments entirely.

Walmart provides Novo Nordisk's Novolin ReliOn Insulin for less than $25 per vial without a prescription. However, healthcare professionals caution that this "human" insulin, introduced in the 1980s, lacks the refined capabilities of newer analogs in preventing severe blood sugar fluctuations. Critics argue that relying on Walmart's insulin overlooks the complexities of diabetes management and the risks associated with unsupervised treatment. Advocates emphasize that while this option may suit some patients, it's far from a comprehensive solution to the ongoing insulin affordability crisis. The blame for rising insulin prices has been volleyed between drug manufacturers and pharmacy benefit managers. While executives defend financial assistance programs, lawmakers assert that unchecked price hikes by pharmaceutical companies are at the heart of the issue. Unlike many other countries, the U.S. allows drug companies considerable freedom in setting prices, resulting in disproportionately high insulin costs despite the country representing a minority share of the global insulin market. Recent efforts, such as Cigna and Express Scripts capping insulin costs at $25 per month, are viewed as temporary fixes by critics like Elizabeth Pfiester of TIInternational. She insists that true resolution requires systemic changes to reduce insulin's list prices permanently.

As the debate intensifies, healthcare professionals and advocates continue to call for legislative intervention to protect diabetic patients from the financial and health risks posed by exorbitant insulin costs[3],[4]

State Copay Caps[5]

- Alabama: $100 cap for 30-day supply
- Colorado: $100 collective cap for 30-day supply
- Connecticut: $25 cap for 30-day supply of insulin or other diabetes medications, $100 cap for 30-days' worth of devices and supplies
- Delaware: $100 collective cap for 30-day supply, $0 for insulin pumps, and collective $35 cap per month for other specified diabetes equipment and supplies
- District of Columbia: $30 cap for a 30-day supply of insulin and $100 cap for a 30-day supply of covered diabetes devices

[2] https://northdakotamonitor.com/2024/05/28/patient-advocates-plan-to-continue-pushing-for-insulin-price-cap/
[3] https://www.vox.com/science-and-health/2019/4/10/18302238/insulin-walmart-relion)
[4] https://www.novonordisk-us.com/patient-help/access-and-affordability.html
[5] https://diabetes.org/tools-resources/affordable-insulin/state-insulin-copay-caps

- Illinois: $100 collective cap for 30-day supply
- Kentucky: $30 cap for 30-day supply
- Louisiana: $75 cap for 30-day supply
- Maine: $35 cap for 30-day supply
- Maryland: $30 cap for 30-day supply
- Minnesota: State-required manufacturer assistance program has a $35 cap for one per year emergency 30-day supply, $50 cap for 90-day supply
- Montana: $35 for 30-day supply
- Nebraska: $35 cap for 30-day supply
- New Hampshire: $30 cap for 30-day supply
- New Jersey: $30 cap for 30-day supply
- New Mexico: $25 cap for 30-day supply
- New York: $100 cap for 30-day supply
- North Dakota: $25 cap for a 30-day supply*
- Oklahoma: $30 cap for 30-day supply, $90 cap for 90-day supply
- Oregon: $75 cap for a 30-day supply, $225 cap for a 90-day supply
- Rhode Island: $40 cap for a 30-day supply
- Texas: $25 cap for a 30-day supply
- Utah: $30 cap for 30-day supply
- Vermont: $100 collective cap for 30-day supply
- Virginia: $50 cap for 30-day supply
- Washington: $35 cap for 30-day supply
- West Virginia: $35 collective cap for 30-day supply; $100 collective cap on a 30-day supply of specified diabetes equipment and supplies.

The State of Utah conducted a study and published their findings regarding Insulin costs. Insulin costs have become a major issue for diabetes patients in the U.S. In response, Utah passed House Bill 207, capping insulin copayments at $30 per month, effective January 1, 2021.

This study evaluated changes in basal insulin adherence, out-of-pocket expenses, health plan costs, overall insulin expenditures, and hemoglobin A1c (A1c) levels before and after the policy's implementation. Conducting a retrospective analysis using data from a Utah health plan between October 2019 and September 2021, the study included commercially insured members who filled insulin prescriptions in both pre- and post-policy periods. Insulin adherence was assessed using the proportion of days covered (PDC), and statistical tests compared health and economic outcomes. Out of 24,150 individuals, 244 patients were analyzed. Results showed a **58.5% reduction** in median monthly out-of-pocket costs for insulin (from $65 to $27), while health plan costs increased by **22%** (from $346 to $444). Total monthly insulin costs remained unchanged. Among 74 patients analyzed for PDC, no significant change was observed (P = 0.43). Similarly, A1c levels did not significantly improve (mean A1c rose from 8.2% to 8.6%). The $30 copayment cap reduced patient out-of-pocket costs but led to higher costs for health plans without improving adherence or A1c levels. Further research over longer periods and with larger populations is necessary to assess long-term impacts.

The Utah study highlights that capping insulin copayments effectively reduced patient costs but shifted financial burdens to health plans. While adherence and health outcomes remained unchanged, further investigation is essential to determine if this policy yields long-term benefits for diabetes management[6].

[6] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10839465/

MANUFACTURER'S INSULIN CHARGE CHANGE

SANFORD HEALTH PLAN

PROGRAM BACKGROUND

Since 2023, insulin manufacturers have reduced prices on their insulin and diabetic supplies in response to mounting public pressure and advocacy efforts highlighting the exorbitant costs faced by diabetic patients. These reductions come amidst growing awareness of the essential nature of insulin for millions of individuals worldwide, many of whom have struggled with affordability and access issues for years. Additionally, regulatory scrutiny and legislative initiatives have pushed manufacturers to reassess their pricing strategies, aiming to make these life-saving medications more accessible and affordable. These changes mark a significant step towards addressing healthcare inequities and ensuring that essential treatments are within reach for those who need them most.

CURRENT LANDSCAPE OVERVIEW

Eli Lilly and Company has taken significant steps to enhance insulin affordability with recent initiatives. Starting May 1, 2023, Lilly will reduce the list price of Insulin Lispro Injection to $25 per vial, making it the most affordable mealtime insulin available. Humalog® and Humulin® will see a 70% price cut from Q4 2023, and RezvoglarTM, a biosimilar basal insulin, will be priced at $92 per five-pack of KwikPens®, a 78% discount compared to Lantus®. Lilly has also capped out-of-pocket costs at $35 per month for commercial insurance users immediately and offers uninsured individuals Lilly insulin for $35 monthly through the Lilly Insulin Value Program. These measures aim to address healthcare system gaps hindering affordable insulin access, with CEO David A. Ricks stressing the need for broader collaboration for comprehensive diabetes care. Lilly's efforts build on prior initiatives such as low-list-price insulins since 2019 and participation in the Medicare Part D Senior Savings Model, reducing average out-of-pocket costs for Lilly insulins to $21.80 over five years. Future plans include a national awareness campaign to promote these solutions and advocate systemic insulin accessibility improvements, alongside ongoing innovation in diabetes care.[1]

Novo Nordisk will significantly lower US list prices for insulin products by up to 75% effective January 1, 2024, following Eli Lilly's lead in reducing insulin prices by 70% and capping out-of-pocket costs at $35 monthly. President Joe Biden commended Eli Lilly's initiative, urging other insulin makers to follow. Novo Nordisk's price cuts cover NovoLog and Levemir, aiming to ease financial burdens for uninsured and high-deductible patients, with Medicare seniors benefiting from an Inflation Reduction Act cap. Advocacy groups like T1International applaud these steps while noting ongoing insulin affordability challenges relative to production costs. Novo Nordisk reaffirms commitment to insulin affordability through support programs, contrasting with Sanofi, which has yet to announce price cuts, focusing instead on existing assistance for uninsured and privately insured individuals. The US insulin price gap compared to other countries remains a concern, reflecting broader American healthcare drug pricing and access challenges[2].

Over the past two decades, insulin list prices by pharmaceutical manufacturers have risen annually, posing affordability challenges for insured patients facing soaring out-of-pocket costs. Simultaneously, insurers and pharmacy benefit managers (PBMs) negotiated increasing rebates and confidential discounts, significantly lowering net prices despite gross sales doubling for leading insulin products from 2012 to 2019.

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[1] https://investor.lilly.com/news-releases/news-release-details/lilly-cuts-insulin-prices-70-and-caps-patient-insulin-out-pocket#:~:text=Today%2C%20Lilly%20is%20reducing%20the,Humalog%C2%AE%20vial%20in%201999.

[2] https://www.nbcnews.com/health/health-news/novo-nordisk-lower-list-price-insulin-rcna74836

Eli Lilly, Novo Nordisk, and Sanofi responded with substantial list price cuts of 65% to 80% in March 2023, driven by impending 2024 Medicaid rebate changes under the American Rescue Act. The gross-to-net price bubble persists for many brand-name drugs, reflecting opaque pricing and rebate structures. Future policy efforts, such as Medicare price negotiation and enhanced transparency, are crucial for equitable patient access to vital medications amid systemic pharmaceutical market challenges[3].

In 2024, Sanofi and other insulin manufacturers are implementing transformative initiatives to significantly reduce insulin costs for millions of Americans with diabetes. Sanofi has introduced price caps and savings programs, ensuring many patients pay no more than $35 monthly for insulin, responding to public outcry and legislative changes. The Inflation Reduction Act capped Medicare enrollees' out-of-pocket expenses, alleviating financial burdens and addressing insulin rationing risks. These actions aim to enhance affordability and equity in healthcare, signaling collaborative efforts among policymakers, patient advocates, and industry leaders to improve insulin accessibility and support a sustainable healthcare system[4].

CONCLUDING

In conclusion, the landscape of insulin pricing in the United States is undergoing significant shifts as major manufacturers like Eli Lilly and Novo Nordisk respond to longstanding affordability challenges. These companies have taken proactive steps to reduce list prices by substantial margins, with Eli Lilly cutting prices by up to 70% and Novo Nordisk following suit with reductions of up to 75% effective January 2024. These efforts, applauded by President Joe Biden and advocacy groups like T1International, aim to alleviate financial burdens on patients, particularly the uninsured and those with high deductibles. The implementation of caps on out-of-pocket costs under the Inflation Reduction Act further supports affordability for Medicare enrollees.

Despite these positive developments, disparities persist in insulin pricing between the U.S. and other countries, reflecting broader complexities in drug pricing and access within the American healthcare system. The ongoing challenge of insulin affordability underscores the need for continued policy reforms, including enhanced transparency in pricing practices and potential Medicare negotiations on drug prices. These reforms could further address the gross-to-net price discrepancies observed not only in insulin but also in other essential medications.

Looking forward, the commitment of pharmaceutical companies to affordability initiatives, alongside advocacy efforts and legislative changes, offers hope for more equitable access to insulin and other critical medications. As industry leaders navigate these reforms, the focus remains on ensuring that patients can affordably access the medications they need to manage chronic conditions effectively. This collaborative approach between stakeholders sets a precedent for addressing broader healthcare affordability issues and advancing towards a more inclusive and sustainable healthcare system in the United States.

[3] https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2806020
[4] https://www.cnn.com/2024/01/01/politics/insulin-price-cap/index.html

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Memo

Date: June 7, 2024

To: Rebecca Fricke - Executive Director, North Dakota Public Employees Retirement System

Representative Austen Schauer - Chair, Legislative Employee Benefits Programs Committee, North Dakota State Government

From: Tim Egan, Dan Plante, Ford Edgerton, and Karno Sarkar - Deloitte Consulting LLP

Subject: **FINANCIAL REVIEW OF PROPOSED BILL 25.0118.01000**

Deloitte Consulting LLP (Deloitte [i]) was engaged to review the proposed legislation and the potential financial impact to the Uniform Group Insurance Program (Program) administered by the North Dakota Public Employees Retirement System (NDPERS), as well as other considerations that may contribute to the evaluation of the legislation.

The information included in the review relies on data provided by NDPERS, as well as publicly available data and industry studies. From the data provided by NDPERS, some of these data sources were developed by NDPERS, while others were prepared or created by third parties and delivered to NDPERS.

As part of the review, all data was reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contains errors or anomalies that were unknown at the time the data was provided, the analysis may be affected by those issues.

OVERVIEW OF PROPOSED BILL

The Bill would create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to public employee insulin drug and supplies benefits. The legislation does the following:

- defines "insulin drug", "medical supplies for insulin dosing and administration", and "pharmacy or distributer"
- restricts insurers and plan sponsors from offering any health insurance coverage unless the coverage meets the cost-sharing and covered service requirements listed in the Bill
- provides a $25 member cost-share limit per thirty-day supply of insulin drugs and medical supplies for insulin dosing and administration regardless of the quantity or type of insulin drug
- restricts pharmacy benefit managers from collecting payment in excess of the cost-sharing requirements covered in the Bill
- restricts health plans from imposing a cost-sharing structure like a deductible or coinsurance that would require a member to pay more than the cost-share limit to receive insulin services

- allows for plans to impose cost-sharing limits that are lower than the $25 member cost-share limit included in the Bill
- stipulates that high-deductible health plans that qualify for health savings accounts are exempt from this cost-share limit until a member reaches their minimum deductible

ESTIMATED FINANCIAL IMPACT

Based on the analysis, it is anticipated the proposed legislation will have a financial impact on the Uniform Group Insurance Program. It is estimated the financial impact of the proposed legislation on the Uniform Group Insurance Program is approximately $1,000,000 in the 2025-2027 biennium ending 6/30/2027.

The Uniform Group Insurance Program requires members to pay a copayment and coinsurance for insulin. Depending on the cost of the insulin prescribed and/or the cost of the supplies purchased, the member cost-share can exceed the proposed $25 limit. Therefore, it is expected that imposing this limit will shift costs from members to the Uniform Group Insurance Program.

Using 12 months of NDPERS claims data from September 2021 through August 2022, Sanford Health Plan estimated that a $25 per month limit on member cost share would have shifted $445,000 from the member to the Uniform Group Insurance Program in that period. Assuming prescription drug trend of 9.4% per year, the cost in the 2025-2027 biennium is estimated to be approximately $1,000,000 (or 0.12% increase to the estimated Program total claims costs). The estimate does not assume changes to drug mix or formulary changes that could impact member out-of-pocket payments (pharmacy benefit managers typically update their formularies at least twice per year).

OTHER CONSIDERATIONS

By limiting or capping the out-of-pocket cost to members for specific services, a smaller amount of those related costs will accumulate towards a member's deductible. As a result, members may have to pay for other services out-of-pocket until they reach their deductible, which may negate a component of the estimated 0.12% increase to the estimated Program total claims costs. Therefore, the $1,000,000 estimated increase in cost can be treated as a conservative estimate, assuming no other change in utilization.

Clinical outcomes associated with lowering member out-of-pocket costs on insulin drugs and medical supplies for insulin dosing and administration may have a favorable impact on the Uniform Group Insurance Program, but such effects are difficult to quantify. If insulin and supplies are more affordable, member adherence may increase and result in fewer adverse health effects that result in expenditures to the Program, such as increased doctor and emergency department visits and prolonged hospitalization.

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Memo

Date: August 2, 2024

To: Rebecca Fricke - Executive Director, North Dakota Public Employees Retirement System

Representative Austen Schauer - Chair, Legislative Employee Benefits Programs Committee, North Dakota State Government

From: Tim Egan, Dan Plante, Ford Edgerton, and Karno Sarkar - Deloitte Consulting LLP

Subject: **MARKET ANALYSIS RELATED TO BILL 23.0532.03000**

In the 2023 legislative session, the North Dakota legislature passed SB 2140 which, among other items, requires the NDPERS Board to evaluate and report on the feasibility of extending the $25/month cap on insulin and diabetic supplies from a pilot to the commercial market statewide. Deloitte Consulting LLP (Deloitte [i]) was commissioned to analyze similar initiatives in other states and industries to assess their impact on adherence among diabetic populations and other relevant outcomes to inform the legislative review.

The information included in the review relies on data provided by NDPERS, as well as publicly available data and industry studies. From the data provided by NDPERS, some of these data sources were developed by NDPERS, while others were prepared or created by third parties and delivered to NDPERS.

As part of the review, all data was reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contains errors or anomalies that were unknown at the time the data was provided, the analysis may be affected by those issues.

OVERVIEW OF BILL

The amended bill would create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to public employee insulin drug and supplies benefits. The legislation does the following:

- Defines "insulin drug" and "medical supplies for insulin dosing and administration"
- Directs the Board to provide health insurance benefits coverage that complies with the defined cost-share provisions
- Provides a $25 member cost-share limit per thirty-day supply of insulin drugs and medical supplies for insulin dosing and administration
- Clarifies that cost-sharing is not limited for insulin pumps, electronic insulin-administering smart pens, or continuous glucose monitors
- Declares the application of this legislation to be June 30, 2023, to June 30, 2025
- Requires that the public employees retirement system shall prepare and submit for introduction a bill to the sixty-ninth legislative assembly to repeal the expiration date for

this Act and to extend the coverage of insulin drug and supplies benefits to all group and individual health insurance policies, and;

- Directs the public employees retirement system to provide a report on the effect of the insulin drug and supplies requirements on the system's health insurance programs, including utilization and cost, and a recommendation on continuing the coverage

CONSIDERATIONS AND RELATED LEGISLATION

Currently, 24 other states plus the District of Columbia have set caps on insulin cost-sharing for state-regulated commercial health plans, as reported by the American Diabetes Foundation. The caps vary significantly across the states:

- Alabama: $100 cost-share cap for a 30-day supply
- Colorado: $100 collective cost-share cap for any 30-day supply regardless of dosage
- Connecticut: $25 cost-share cap for 30-day supply of insulin or any other diabetic medication; $100 cap for 30-day supply of devices and supplies
- Delaware: $100 collective cost-share cap for 30-day supply, $0 for insulin pumps, and collective $35 cost-share monthly cap for other diabetic specific equipment and supplies
- District of Columbia: $30 cost-share cap for 30-day supply of insulin; $100 cost-share cap for 30-day supply of diabetic devices
- Illinois: $35 collective cost-share cap for 30-day supply (effective 7/1/2025)
    - Current provision through 6/30/2025 is a $100 collective cost-share cap for a 30-day supply
- Kentucky: $30 cost-share cap for 30-day supply
- Louisiana: $75 cost-share cap for 30-day supply
- Maine: $35 cost-share cap for 30-day supply
- Maryland: $30 cost-share cap for 30-day supply
- Minnesota: $25 cost-share monthly cap for diabetes medications; $50 cost-share monthly cap for supplies; State-required manufacturer assistance program has a $35 cost-share cap for one per year emergency 30-day supply, $50 cost-share cap for 90-day supply
- Montana: $35 cost-share cap for 30-day supply
- Nebraska: $35 cost-share cap for 30-day supply
- New Hampshire: $30 cost-share cap for 30-day supply
- New Jersey: $35 cost-share cap for 30-day supply
- New Mexico: $25 cost-share cap for 30-day supply

- New York: $0 cost for 30-day supply of insulin (effective 1/1/2025)
    - Current provision is a $100 cost-share cap for a 30-day supply
- Oklahoma: $30 cost-share cap for 30-day supply; $90 cost-share cap for 90-day supply
- Oregon: $35 cost-share cap for 30-day supply; $105 cost-share cap for 90-day supply (effective 1/1/2025)
    - Current provision is a $85 cost-share cap for 30-day supply
- Rhode Island: $40 cost-share cap for 30-day supply
- Texas: $25 cost-share cap for 30-day supply
- Utah: $30 cost-share cap for 30-day supply
- Vermont: $100 collective cost-share cap for 30-day supply
- Virginia: $50 cost-share cap for 30-day supply
- Washington: $35 cost-share cap for 30-day supply
- West Virginia: $35 cost-share cap for 30-day supply of insulin; $100 cost-share cap for 30-day supply of diabetic devices

Effective July 1, 2023, the federal government, under the Inflation Reduction Act, has introduced a $35 copay cap for Medicare retirees purchasing insulin. According to the Department of Health and Human Services, this measure is estimated to save retirees over $500 annually.

Additionally, the Inflation Reduction Act includes a provision that expands the coverage of insulin under High Deductible Health Plans (HDHPs). This legislation formalizes IRS Notice 2019-45, which permits certain preventive care for chronic conditions, such as insulin, to be covered without requiring members to meet a deductible first.

Colorado was the first state to implement an insulin cost-share cap in May 2019 with HB19-1216. The initial legislation faced challenges due to ambiguities over applicable insulin types and coverage for multiple prescriptions. These issues led to confusion and potentially higher costs for patients requiring multiple types of insulin[1].

In response, Colorado passed an amendment effective January 1, 2022 with HB21-1307, clarifying that the $100 cap covers all prescribed insulin medications combined per 30-day supply. The amendment also introduced an insulin affordability program for uninsured individuals, offering a 12-month supply at $50 per month and an emergency supply at $35.

The implementation of insulin cost-share caps across various states and at the federal level represents a step towards reducing the financial burden on individuals with diabetes. However, ongoing evaluation is necessary to address potential unintended consequences and ensure the sustainability of these measures. Due to the infancy of a majority of these bills and implementation of the cost-share caps in other states, states are still analyzing the impact of the cost-share caps on members' out-of-pocket costs as well as the impact to premiums.

While these caps reduce out-of-pocket costs for insulin and increase costs for plan sponsors, they do not decrease the overall cost of the drug. However, the lower cost of insulin for members can

potentially lead to better adherence to their medication regimen. Improved adherence can result in lower healthcare costs overall, as members are more likely to avoid costly inpatient care due to better management of their condition.

It remains uncertain whether the potential cost savings from improved drug adherence will offset other rising costs. Over the past decade, insulin prices have tripled, raising concerns that cost-share caps might shift expenses to other areas, such as insurance premiums.

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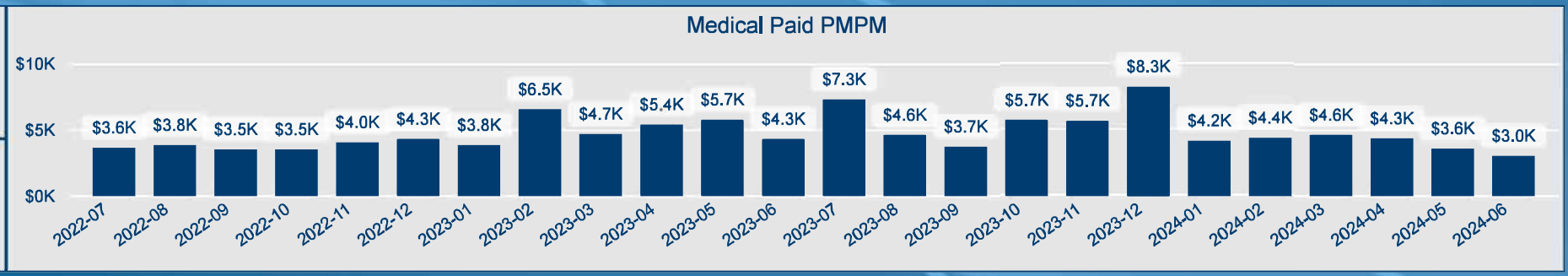
[1] Endocrine Today. (2013). "How Colorado's insulin cap law evolved" Retrieved from https://www.healio.com/news/endocrinology/20230510/how-colorados-insulin-cap-law-evolved#:~:text=In%20May%202019%2C%20Colorado%20became,of%20insulin%20for%20Colorado%20residents.

NDPERS - Medical Utilization for Members with Type 1 Diabetes Diagnosis Only and Insulin and Diabetes Supplies Claims - All LOB's

Medical PMPM Before
$4,428

Medical PMPM After
$4,932



ER Visits/1000 Before
877.1

ER Visits/1000 After
915.4

IP Admits/1000 Before
747.5

IP Admits/1000 After
592.4

Last Data Refresh: 07-24-2024 01:02 PM CT

Notice: This report and any exported data is for internal use only and should not be sent outside of Sanford.

Not all medical claims have been paid. Providers have 180 days to submit claims to Sanford Health Plan
Does not include Medical PMPM for NDPERS Members diagnosed with Type 2 Diabetes that were prescribed Insulin