



Press Release

Assessing Federal and State Actions to Address Insulin Costs

ANDREW EVANS | APRIL 29, 2020

Policymakers at both the federal and state level are exploring ways to bring down the cost of insulin. Most of the policy proposals center on changes to insurance design and coverage that would likely reduce patients' out-of-pocket costs in the short-term, write AAF's Director of Human Welfare Policy Tara O'Neill Hayes, Josee Farmer, and Margaret Barnhorst in a new survey of the latest proposals. Most of these proposals would also, however, have negative consequences that might outweigh any benefits, they contend, although one has the potential to reduce costs without distorting the market.

An excerpt:

Included in the Lower Costs, More Cures Act of 2019 (H.R. 19 and S. 3129) is a provision to...allow high-deductible health plans to treat insulin as a preventive product and provide coverage before the beneficiary reaches the deductible. This is a common-sense policy, as proper insulin use unquestionably prevents numerous medical complications and even death. With nearly half of those with employer-sponsored insurance (roughly 80 million people) now enrolled in HDHPs, and the average deductible for such plans now reaching \$5,000, this change alone will likely significantly reduce the out-of-pocket (OOP) costs for many diabetics. Further, the increased affordability that this change offers is likely — and in fact, intended — to increase medication adherence and reduce insulin rationing. The treatment of medical complications that may result from improper insulin use is often more expensive than the cost of the insulin; avoiding these complications will save money for both the individual and insurer.

[Read the Analysis](#)