



## Press Release

# The Cost Implications of New Insulin Products

ANDREW EVANS | JULY 13, 2021

Several new insulin products are expected to enter the market in the coming months, with two of them being the first “biosimilar” insulin products. While these products bring fresh competition to the expensive insulin market, most consumers and the government are not likely to see substantial savings, argues AAF’s Director of Human Welfare Policy Tara O’Neill Hayes. While high prices suggest that the incumbent manufacturers are ripe for competition, the structure of the drug-pricing market makes it difficult for new insulin products to compete directly on price, O’Neill Hayes writes.

Her key points:

- New insulin products could yield savings for patients and taxpayers of more than \$2.5 billion per year;
- Downward price pressure may come not only from manufacturer competition, but as a result of low-cost retailers such as Wal-Mart selling authorized generics;
- Savings from insulin competition, however, will be limited by the pricing and rebate structure of the drug market in the United States, and as a result, these new competitor insulin products are likely to have a limited impact on Medicare and Medicaid’s balance sheets.