AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 826
(I-17)

Introduced by:	American Association of Clinical Endocrinologists Endocrine Society
Subject:	Improving Affordability of Insulin
Referred to:	Reference Committee J (Peter C. Amadio, MD, Chair)

Whereas, The number of people in the United States with diabetes is increasing at an alarming rate; 30 million currently have Type 1 or Type 2 diabetes and it is estimated that 1 in 3 Americans will have diabetes by 2050; and

Whereas, Of these 30 million Americans, 8.4 million use insulin to effectively manage the disease; and

Whereas, For people with Type 1 diabetes, insulin must be administered daily to prevent death; and

Whereas, Insulin is frequently prescribed to people with Type 2 diabetes when other medications have been unsuccessful at controlling blood glucose levels; and

Whereas, People with diabetes must adhere to their treatment plan to prevent complications such as blindness, cardiovascular disease, end-stage kidney disease, or amputations; and

Whereas, The cost of insulin is prohibitive for many people; insulin costs have more than tripled between 2002 and 2013, from $231 to $736 per vial; and

Whereas, An increase in high-deductible health plans further magnifies the impact of the rising cost of insulin on people with diabetes as they are required to pay the full price of their medication until a deductible of at least $1,300 is met; and

Whereas, Research found that adherence falls for people on basal insulin when they are required to pay more than $75 and for people on rapid-acting insulin when they must pay more than $40; and

Whereas, The increase in price can likely be attributed to a number of factors across the supply chain, which includes pharmaceutical manufacturers, pharmacy benefits managers, and insurance companies; and

Whereas, A lack of transparency about how prices are set, and rebates and discounts are applied, makes it difficult for a patient and their physician to make an informed decision on which insulin product is right for the patient; and

Whereas, Medicare, Medicaid, and private insurers' formularies can change multiple times throughout a plan year based on a decrease or increase in cost resulting in a change of covered insulin products. Non-medical switching of insulin is disruptive to a patient's care plan, creates confusion and necessitates additional office visits; therefore be it

RESOLVED, That our American Medical Association work with relevant medical specialty societies to convene a summit with participation by patients, clinicians, manufacturers, PBMs, insurers and the appropriate federal representatives to highlight the dramatic increase in insulin costs and identify potential solutions (Directive to Take Action); and be it further

RESOLVED, That our AMA pursue solutions to reduce patient cost-sharing for insulin and ensure patients benefit from rebates at the point of sale (Directive to Take Action); and be it further

RESOLVED, That our AMA work with health insurance companies and federal agencies to stabilize drug formularies and reduce non-medical switching by encouraging plans to cover insulin products at the same cost listed on a drug formulary throughout the entire plan year (Directive to Take Action); and be it further

RESOLVED, That our AMA encourage insulin price and cost transparency among pharmaceutical companies, pharmacy benefit managers and health insurance companies (New HOD Policy); and be it further

RESOLVED, That our AMA work with electronic medical record vendors and insurance companies to integrate current formularies and price information into all systems so physicians and patients can make informed decisions on insulin products to reduce cost burdens on patients. (Directive to Take Action)

Fiscal Note: Not yet determined

Received: 10/31/17

RELEVANT AMA POLICY

Pharmaceutical Cost H-110.987
1. Our AMA encourages Federal Trade Commission (FTC) actions to limit anticompetitive behavior by pharmaceutical companies attempting to reduce competition from generic manufacturers through manipulation of patent protections and abuse of regulatory exclusivity incentives.
2. Our AMA encourages Congress, the FTC and the Department of Health and Human Services to monitor and evaluate the utilization and impact of controlled distribution channels for prescription pharmaceuticals on patient access and market competition.
3. Our AMA will monitor the impact of mergers and acquisitions in the pharmaceutical industry.
4. Our AMA will continue to monitor and support an appropriate balance between incentives based on appropriate safeguards for innovation on the one hand and efforts to reduce regulatory and statutory barriers to competition as part of the patent system.
5. Our AMA encourages prescription drug price and cost transparency among pharmaceutical companies, pharmacy benefit managers and health insurance companies.
6. Our AMA supports legislation to require generic drug manufacturers to pay an additional rebate to state Medicaid programs if the price of a generic drug rises faster than inflation.
7. Our AMA supports legislation to shorten the exclusivity period for biologics.
8. Our AMA will convene a task force of appropriate AMA Councils, state medical societies and national medical specialty societies to develop principles to guide advocacy and grassroots efforts aimed at addressing pharmaceutical costs and improving patient access and adherence to medically necessary prescription drug regimens.
9. Our AMA will generate an advocacy campaign to engage physicians and patients in local and national advocacy initiatives that bring attention to the rising price of prescription drugs and help to put forward solutions to make prescription drugs more affordable for all patients.
10.Our AMA supports: (a) drug price transparency legislation that requires pharmaceutical manufacturers to provide public notice before increasing the price of any drug (generic, brand, or specialty) by 10% or more each year or per course of treatment and provide justification for the price increase; (b) legislation that authorizes the Attorney General and/or the Federal Trade Commission to take legal action to address price gouging by pharmaceutical manufacturers and increase access to affordable drugs for patients; and (c) the expedited review of generic drug applications and prioritizing review of such applications when there is a drug shortage, no available comparable generic drug, or a price increase of 10% or more each year or per course of treatment.
CMS Rep. 2, I-15; Reaffirmed in lieu of: Res. 817, I-16; Appended: Res. 201, A-17; Reaffirmed in lieu of: Res. 207, A-17; Modified: Speakers Rep. 01, A-17

See also: Drug Formularies and Therapeutic Interchange H-125.991