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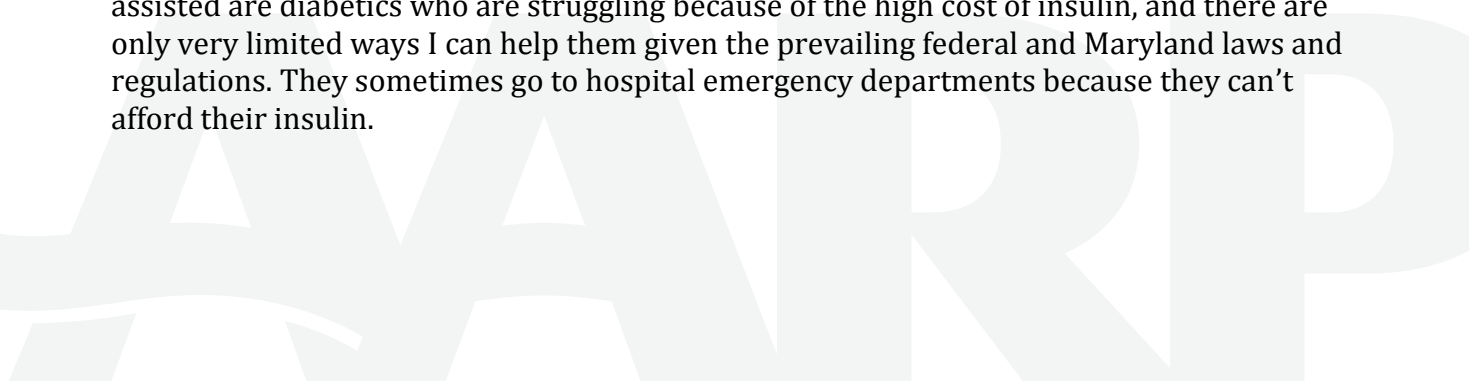
**SB 353 Health Insurance — Prescription Insulin Drugs — Limits on Copayment and
Coinsurance (Insulin Cost Reduction Act)
House Health and Government Operations Committee
FAVORABLE
March 24, 2022**

Good afternoon, Chair Pendergrass and members of the House Health and Government Operations Committee. I am Jim Gutman, a Howard County resident and member of the Executive Council and lead health care advocacy volunteer for AARP Maryland. Before my retirement, for 25 years I edited, published and owned subscription regulatory and financial newsletters about U.S. health care, including several about prescription drugs. My background in that area dates to the mid-1980s, when I was Johnson & Johnson's corporate manager of editorial services. I also have been a Baltimore County and then Howard County volunteer State Health Insurance Program (SHIP) Medicare Prescription Drug Plan (PDP) Counselor for the past six fall open-enrollment periods. I am here today representing AARP Maryland and its 850,000 members in support of SB 353. We thank Senator Lam (and Del. Pena Melnyk on HB 1397) for sponsoring this important legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people aged 50 and above, strengthens communities and fights for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

Insulin is a drug that has been around for 100 years and is vital for the health of millions of diabetics in the U.S., including a large number in Maryland. All people with type 1 diabetes, which usually starts in childhood or adolescence, and many with the more common type 2 require insulin to survive. But despite how common this life-essential drug is, and notwithstanding the fact that it has been getting cheaper to produce, its price has more than tripled in the U.S. in the most recent decade to levels several times higher than those in other industrialized countries. It has become unaffordable for many Marylanders, who therefore have been forced to ration or go without this key medicine, often with deadly consequences.

I see some of the problems firsthand each fall when I counsel Medicare beneficiaries for the Howard County SHIP in selecting drug plans for the coming year. Several of the seniors I've assisted are diabetics who are struggling because of the high cost of insulin, and there are only very limited ways I can help them given the prevailing federal and Maryland laws and regulations. They sometimes go to hospital emergency departments because they can't afford their insulin.



As of now, the only meaningful price aid for Maryland's insulin users is in original Medicare and has big strings attached. Of the 21 Maryland stand-alone PDPs available in 2022, just 7 have a \$35 monthly copayment limit. And they are so-called "enhanced plans" that carry higher monthly premiums than the "basic" plans that cash-strapped Marylanders otherwise are otherwise likely to choose.

But as bad as the situation is for insulin users in Medicare, it's even worse in the commercial market, where there is no significant copay ceiling.

Under S.B. 353, a \$30 monthly copayment would apply in the Maryland commercial market to a 30-day supply of covered insulin products, regardless of whether a state resident has prescription drug coverage via an insurer, nonprofit health service plan, or HMO and regardless of whether that coverage involves a PBM. The \$30 limit also applies regardless of the amount or type of insulin needed to fill the Maryland resident's prescription.

The result of this bill is likely to be big gains in Maryland residents' ability to stay on an insulin medication regimen that is essential for their health. This is vital for the older Marylanders AARP represents, as well as for younger ones, and is why many states are taking a similar approach to limit out-of-pocket expenses for insulin.

For all these reasons, AARP requests that the House Health and Government Operations Committee give a favorable report to SB 353. Thanks very much for your time and consideration. If you have questions, please contact Tammy Bresnahan at tbresnahan@aarp.org or by calling her at 410-302-8451.