



BERNARD C. "JACK" YOUNG  
MAYOR

*Office of Government Relations  
88 State Circle  
Annapolis, Maryland 21401*

**HB 134**

February 6, 2020

**TO:** Members of the House Health and Government Operations Committee

**FROM:** Nicholas Blendy, Deputy Director of Government Relations

**RE:** House Bill 134 – Health Insurance – Prescription Insulin Drugs – Limits on Copayment and Coinsurance

**POSITION: SUPPORT**

Chair Pendergrass, Vice Chair Pena-Melnyk, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 134.

In Maryland, approximately 623,000 adults were diagnosed with diabetes in 2014, and that number continues to grow.<sup>1</sup> From 2006 to 2016, the total adult population in Maryland diagnosed with diabetes increased from 8% to 10%.<sup>2</sup> Living with a chronic disease such as diabetes carries a significant economic burden to patients and their families. On average, after adjusting for age and sex, people with diabetes have medical expenditures 2.3 times greater than people without diabetes.<sup>3</sup>

Serious complications related to diabetes, and particularly uncontrolled diabetes, can be costly. According to the Agency for Healthcare Research and Quality (AHRQ), in 2010 diabetic hospitalizations accounted for \$83 billion a year in hospital fees – 23

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<sup>1</sup> The Burden of Diabetes in Maryland. 2014. American Diabetes Association. <http://main.diabetes.org/dorg/PDFs/Advocacy/burden-of-diabetes/maryland.pdf>

<sup>2</sup> Diagnosed Diabetes. 2016. United States Diabetes Surveillance System. Centers for Disease Control and Prevention. <https://gis.cdc.gov/grasp/diabetes/DiabetesAtlas.html>

<sup>3</sup> The Burden of Diabetes in Maryland. 2014. American Diabetes Association. <http://main.diabetes.org/dorg/PDFs/Advocacy/burden-of-diabetes/maryland.pdf>

*Annapolis – phone: 410.269.0207 • fax: 410.269.6785  
Baltimore – phone: 410.396.3497 • fax: 410.396.5136  
<https://mogr.baltimorecity.gov/>*

percent of total hospital spending.<sup>4</sup> In Maryland, diabetes and prediabetes cost an estimated \$6.5 billion annually.<sup>5</sup>

Access to diabetic medications can be a critical factor to maintaining good diabetic control and preventing serious complications related to diabetes. However, prohibitive costs of diabetic medications can present a significant barrier to medication adherence. From 2012 to 2016 the price of insulin more than doubled.<sup>6</sup> Of diabetic adults with income below the poverty level, approximately 24% use insulin, either exclusively or with oral medications<sup>7</sup>. In Maryland 21% of residents with diabetes make less than \$25,000 in annual income.<sup>8</sup>

Providing insulin drug limits on copayment and insurance could provide an important avenue to ensuring all people with diabetes receive the medications they need. Given the economic burden of diabetes both to patients, families, and payers, removing barriers to receiving diabetic treatment is a priority to improving the health and wellbeing of Maryland residents.

We respectfully request a **favorable** report on House Bill 134.

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<sup>4</sup> Hospital Stays for Patients with Diabetes, 2008. Frazee et al. 2010. Agency for Healthcare Research and Quality. <https://www.hcup-us.ahrq.gov/reports/statbriefs/sb93.pdf>

<sup>5</sup> The Burden of Diabetes in Maryland. 2014. American Diabetes Association. <http://main.diabetes.org/dorg/PDFs/Advocacy/burden-of-diabetes/maryland.pdf>

<sup>6</sup> "Price of insulin prescription doubled between 2012 and 2016." Hargraves J & Frost A. 2017. Health Care Cost Institute. <https://www.healthcostinstitute.org/blog/entry/price-of-insulin-prescription-doubled-between-2012-and-2016>

<sup>7</sup> "Medication Use and Self-care Practices in Persons with Diabetes." Cowie et al. 2017. Chapter 39 In Diabetes in America. National Institutes of Health.

<sup>8</sup> America's Health Rankings: Maryland. 2020. United Health Foundation. (<https://www.americashealthrankings.org/explore/annual/measure/Diabetes/state/MD>)