

FRIDAY ALERT



Alliance for Retired Americans

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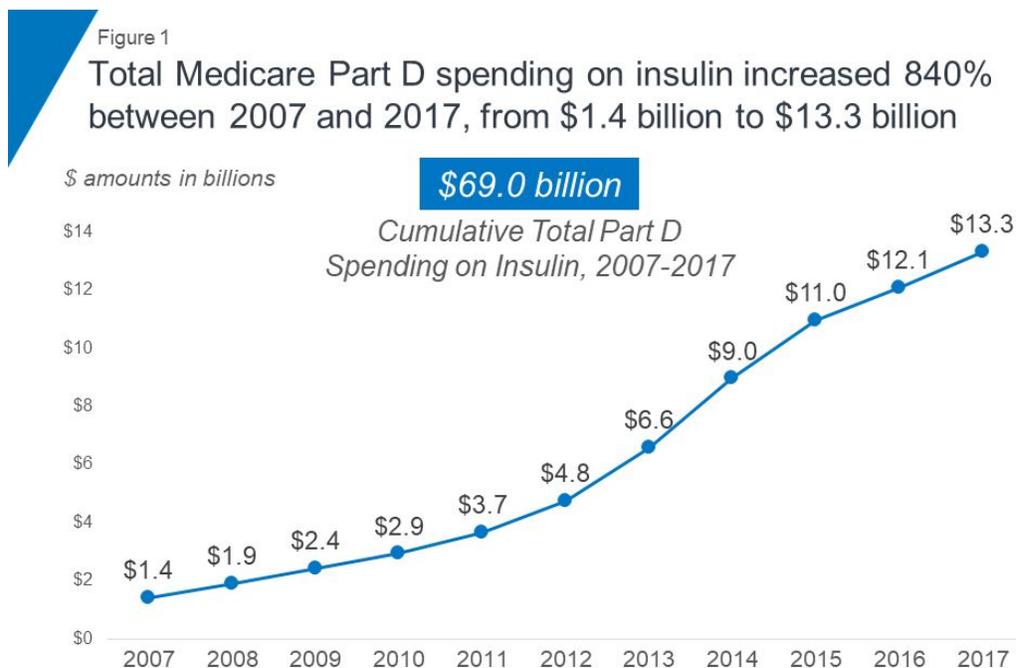
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Rising Insulin Prices Take Center Stage on Capitol Hill

Diabetes is the [most expensive chronic illness](#) in the United States. Insulin-dependent patients today are paying three times what they paid two decades ago to treat the disease. A Kaiser Family Foundation analysis released Tuesday shows that Medicare Part D spending on insulin -- taking into account what Medicare, insurance plans, and beneficiaries paid -- increased by a whopping 840% between 2007 and 2017. Consumers' out-of-pocket spending for the drug quadrupled over that time period.

Three corporations manufacture most insulin products. There are currently no available generic options for people living with the disease even though it was first used as a diabetes treatment in 1922. This week, the Oversight and Investigations subcommittee of the House Committee on Energy and Commerce held a hearing regarding the [rising price](#).



NOTE: Total spending does not account for rebates; includes Medicare, plan, and beneficiary out-of-pocket payments.
SOURCE: KFF analysis of 2007-2016 prescription drug event claims data from a 5% sample of Medicare beneficiaries from the Centers for Medicare & Medicaid Services (CMS) Chronic Conditions Data Warehouse, and 2017 data from the CMS Medicare Part D Drug Spending Dashboard.



Experts from the American Diabetes Association, JDRF (formerly known as the Juvenile Diabetes Research Foundation), and others testified on this public health crisis, offering new data and proposing solutions. The subcommittee has scheduled a [follow-up hearing](#) next week and the three major insulin makers, Eli Lilly, Novo Nordisk, and Sanofi, will testify. These hearings follow the high-profile [investigation](#) into drug pricing conducted by the House Committee on Oversight and Reform and the Senate Finance Committee earlier this year.

Increased pressure from Congress, along with studies showing that more and more patients are rationing their own insulin to save money and endangering their health and lives, are forcing insurers to take action. This week, insurance giant Cigna and its pharmacy benefit manager (PBM) Express Scripts announced that it would be [reducing the monthly cost](#) of insulin from \$40 to \$25 for many patients by counting insulin as preventive care. Representatives from Express Scripts and other PBMs will appear in front of the Senate Finance Committee next week.

“This change from Cigna represents the first step in meaningful action to combat outrageous drug prices, especially for insulin, that are hurting patients’ pocketbooks and ultimately, their health. However it is not enough,” said **Robert Roach, Jr.**, President of the Alliance. “It’s past time for Congress to pass legislation forcing pharmaceutical corporations and insurance providers to lower out-of-pocket drug costs for all Americans so that they no longer have to choose between food and medicine.”

Trump Says he will Replace the Affordable Care Act “After the Election”

The President renewed a pledge over [Twitter](#) Monday night to repeal and replace the Affordable Care Act (ACA). He immediately dropped his plans after several Republican legislators [spoke out](#) against the promise. Senate Majority Leader **Mitch McConnell** said he made clear to the president that Senate Republicans will not work on a comprehensive package to replace the health law.

Trump adjusted his goal, and said that repealing and replacing the ACA will be a priority during the 2020 campaign and after the election, stating that the GOP will become [“the party of health care”](#) once they win back the House.



Sen. Schumer on Tuesday

Senate Minority Leader **Chuck Schumer** fired back on Tuesday, stating that the president has no [“magic” health care plan](#) and will simply “hold Americans hostage through 2020.” The administration continues to call for courts to invalidate the law, which U.S. District Judge **Reed O’Connor** declared [unconstitutional](#) in December. Last week, the Justice Department announced that it [supported](#) the ruling, but this week Republican attorneys general of Ohio and Montana urged a federal appeals court to uphold the federal health care law, saying that striking it down would be disruptive for patients, doctors, insurers and employers.

“The Republican party has no plan for a feasible replacement of the Affordable Care Act,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Exhibit A is that no one in the party has explained how they will continue to cover pre-existing conditions, which affect [84%](#) of Americans aged 55 to 64. Until and unless they come forward with a better approach, we will continue to fight both for the ACA and more affordable health care for all Americans.”

Speaker Pelosi Will Delay Vote on NAFTA 2.0

Speaker of the House **Nancy Pelosi** stated on Tuesday that the House of Representatives will not consider the U.S.-Mexico-Canada Agreement (the so-called NAFTA 2.0) until Mexico implements new [labor law reforms](#). Mexican labor laws are just one of the many problems with the legislation, which would also lock in high prescription drug prices and make it harder to get generic medicines to market.

AFL-CIO President **Richard Trumka** asserted the need for [labor law enforcement](#) in Mexico in a recent telephone conference call. Lawmakers want to see Mexican workers win the [right to organize](#), saying that a major problem with the original NAFTA agreement was the stagnation of wages. Pelosi agreed, stating that the workers' rights provisions in the agreement as it stands will be useless if Mexico does not develop adequate enforcement mechanisms. Delaying the vote goes against the administration's desire to see the agreement [passed by summer](#).

“We fully support a delay,” said **Richard Fiesta**, Executive Director of the Alliance. “In addition to the bad labor law provisions, the pro-Pharma prescription drug provisions in NAFTA 2.0 are a major concern for the Alliance and retirees.”

Millions in Taxpayer Dollars Spent on Self-Promotion by CMS Director Seema Verma

Caving to public outrage, the Centers for Medicare and Medicaid Services has [suspended contracts](#) with communications firms that were hired by the agency to boost the image and promote the work of **Seema Verma**, Administrator of the CMS. One contract alone, with international public relations firm Porter Novelli, was worth \$2.25 million.

Politico first [reported](#) last Friday that Administrator Verma spent millions in taxpayer funds to try to improve her public image, and watchdog groups have [raised concerns](#) about the transparency and ethics of the contracts.

Last week the Alliance for Retired Americans called on Director Verma to resign. “She should do the taxpayers a favor and clean out her desk today,” said Executive Director Fiesta. “Spending taxpayer dollars to improve the public image of a government official is unethical and hypocritical, especially given that the Trump Administration claims that health care must be cut to ‘reduce the deficit.’”

[Read the full Alliance for Retired Americans press release here.](#)