



The Honorable Mike Freiberg  
Chair, Government Operations  
Minnesota House of Representatives  
509 State Office Building  
St. Paul, MN 55155

RE: Opposition to HF 3100

Dear Representative Freiberg,

Novo Nordisk is committed to ensuring patients with diabetes have access to affordable insulin. Unfortunately, we are concerned HF 3100 will be duplicative and less effective than other options, including our existing patient affordability programs. Novo Nordisk is a global health care company with nearly 100 years of innovation and leadership in diabetes, obesity, hemophilia and growth hormone disorders. Today, we have thousands of employees across the world committed to continue this journey, not only to prevent and treat diabetes, but also to improve the lives of those living with other serious chronic conditions.

As a company focused on improving the lives of people with diabetes and other chronic diseases, insulin affordability is extremely important to us. Novo Nordisk leaders have heard concerns expressed by patients, advocates, and political leaders. We understand some patients are struggling to afford their insulin and we want to help. We recognize there are people with diabetes who can't afford their prescribed insulin, especially the uninsured, underinsured, and those in high deductible healthcare plans. We've been talking with our stakeholders about how to address the current problems in the marketplace and it's important that we take action.

Regardless of whether someone has insurance or not, the U.S. healthcare system is complex and there are many different situations that may make insulin unaffordable or inaccessible. It's clear that there is no one solution that will work for everyone and that people need options.

As a result, Novo Nordisk has made available several new options that can provide financial relief and provide support while we also work to propose longer-term policies to fix the health care system. In reviewing these affordability options, we ask the Legislature to consider the fact that these options address the range of challenges for people in need. These programs are the result of our genuine effort to listen to patients and their loved ones to address their needs. by offering reasonable and sustainable solutions.

Our affordability options include:

- **Immediate Supply:** We know there are instances when affordability offerings take time to process and that some patients can't wait and need insulin immediately. At those moments,

when someone is at risk of rationing and a longer-term solution is not immediately available, Novo Nordisk will help these patients by providing a free, one-time, **immediate supply** of up to three vials or two packs of pens of Novo Nordisk insulin with a prescription. Studies and clinical experience suggest that is an adequate supply to cover the monthly needs of most people with diabetes. This is a short-term, immediate-need program to discourage rationing and prevent disruption to treatment while working to identify a longer-term and sustainable solution. Anyone in this this situation can learn more about this option by calling 1.844.NOVO4ME (1.844.668.6463) or visiting NovoCare.com.

- **My\$99Insulin:** For \$99, people with diabetes can get up to three vials or two packs of FlexPen®/FlexTouch®/PenFill® pens of any combination of Novo Nordisk Inc. insulins with a prescription. Studies and clinical experience suggest that is an adequate supply to cover the monthly needs of most people with diabetes. By enrolling at NovoCare.com, a patient will receive an online card that can be downloaded and printed, saved to a phone, or emailed to a valid email address. This card can be redeemed with a prescription at any pharmacy where the patient buys insulin. Finally, My\$99Insulin is available to all eligible patients with or without insurance. We encourage patients to call us at 1-888-910-0446 or visit <https://www.novocare.com/insulin/my99insulin.html> to learn more about this program.
- **Follow-on brand (also known as authorized generics) insulins:** Patients can access follow-on brand versions of NovoLog® and NovoLog® Mix, from Novo Nordisk Pharma, Inc. (NNPI), a Novo Nordisk A/S US company, at pharmacies in 1-3 business days of placing an order at 50 percent off the list prices of the branded products. These insulins may be able to lower the cost for those patients whose insurance requires them to pay list price through coinsurance or before meeting their deductible. Patients should check to see if their insurance plan covers these follow-on brands. As with any new medicine, it takes time to secure formulary access and NNPI is in discussions with pharmacy benefit managers to encourage formulary uptake of the follow-on brands. These brands are stocked at the wholesale level so patients can order these medicines from any pharmacy in the U.S.

Beyond these programs, we have other offerings in place, including:

- **A Patient Assistance Program (PAP)** that provides free medicines, including all Novo Nordisk insulins, to uninsured patients without private prescription coverage who meet other eligibility criteria. To be eligible, a patient must be a US citizen or legal resident and have a total household income at or below 400% of the federal poverty level (FPL). The patient must also not be covered by or eligible for any federal, state, or local program such as Medicare or Medicaid, except Medicare Part D patients who have spent \$1,000 on prescription medicine in the current calendar year.

What all of this means is that a family of four with an annual income up to \$103,000, or individuals with an annual income up to \$49,960, may receive free Novo Nordisk medications through our PAP if they meet the other eligibility requirements of the program. In 2018, nearly 50,000 Americans received free insulin from Novo Nordisk through this program.

- Finally, Novo Nordisk human insulins are available at national pharmacies like Walmart and CVS for about \$25/vial. In 2018, we estimate that approximately 500,000 Americans used Novo Nordisk human insulin through these retailers.

Additional information about financial assistance and patient support resources for Novo Nordisk products is available at [NovoCare.com](http://NovoCare.com) or patients and health professionals may call (800) 727-6500.

Novo Nordisk also is committed to working with all participants in the healthcare supply chain to identify and implement long-term solutions to ensure patients have affordable access to the care and management they need. As you may be aware, Novo Nordisk invests heavily in rebates to ensure broad access to our products. However, news reports on drug prices leave the public and policymakers with the mistaken impression that manufacturers like Novo Nordisk realize all the profits from Wholesale Acquisition Cost (WAC) or “list price” increases. In other words, many believe a price increase leads to a corresponding profit increase for a manufacturer. This assumption is factually incorrect, and the situation is far more complex. The list price typically is not what is ultimately paid for the medication, nor is it what manufacturers usually receive for the medication. The net price manufacturers receive for their medications is the list price minus fees, discounts and rebates paid by manufacturers to other stakeholders in the supply chain. A recent analysis of the marketplace shows that for a number of insulin products, the net price to the manufacturers has grown at a slower rate, or has gone down, when compared to list price.

Since 2014, Novo Nordisk has paid incrementally higher rebates to have our products available to patients. In 2018, across all our medicines, rebates, discounts, and fees consumed 68% of gross sales in the US – meaning, effectively \$0.68 cents of every dollar in gross sales was paid to supply chain stakeholders, including PBMs and payers, in the form of rebates, discounts, and fees. In 2018, these rebates, discounts, and fees equated to more than \$17 billion.

The substantial rebates that Novo Nordisk pays to health plans and PBMs helps to ensure that insured patients have broad access to our medicines on drug formularies, and many patients pay between \$1 to \$1.50 per day for our insulins.

Any meaningful effort to address out-of-pocket costs for insulin should examine the complexities of the broader supply chain, including insurance benefit design which ultimately determines what a patient pays at the pharmacy counter. One thing the Legislature could do to provide immediate help for patients with diabetes needing access to the lifesaving treatments would be to encourage health plans in the state to implement the recent IRS Guidance that allows High Deductible Health Plans (HDHPs) with Health Savings Accounts (HSA) the ability to provide coverage for insulin and other glucose lowering agents used to treat diabetes before patients meet the plan deductible. This is important because currently ~47% of commercially insured Americans are enrolled in an HDHP, of these ~21% are enrolled in an HDHP with a Health Savings Account (HSA); this number has nearly tripled since 2010. In 2020, the minimum deductible for an individual in an HDHP is \$1,400 (a \$50 increase from 2019) and for a family in an HDHP, it is \$2,800 (a \$100 increase from 2019). Without this first dollar coverage under the IRS rule, these patients face the full WAC price without the benefit of the rebate we provide.

Specifically, on July 17, 2019, the Treasury Department issued guidance (Notice 2019-45) recognizing 14 new drugs and services that treat chronic conditions as “preventive care” that can now be covered by HDHPs with HSAs prior to the patient meeting their plan deductible. Included in the list are several treatments and services for those diagnosed with diabetes and other comorbidities, including: insulin and other glucose lowering agents, retinopathy screening, glucometer, hemoglobin A1c testing, angiotensin converting enzyme (ACE) inhibitors, and statins. The guidance, which was effective immediately, is a significant victory for people with diabetes who are enrolled in an HDHP-HSA and

offers them an opportunity to gain first-dollar coverage for the identified treatments and services, if adopted. A recent study by Milliman estimated that if patient cost sharing for insulin is reduced to \$0 in HDHPs in the employer-sponsored group insurance (commercial) market, insulin users would save an estimated \$1,162 per year on insulin out-of-pocket costs and average premiums for all members would only minimally increase an estimated \$0.43/per member per month (PMPM).

Finally, we would also like to note the deep price concessions mandated by state and federal laws for state Medicaid and 340B programs. From the state Medicaid perspective, statutory rebates result in many of our insulins being at or near a 100% rebate per unit off list price to the states and available to Medicaid beneficiaries at nominal co-pays. For covered entities under the 340B program, several of our insulins are at or near "penny" pricing per unit, meaning they are also effectively free to the 340B entity. However, too many patients are charged well above this price point by 340B entities.

Novo Nordisk supports the Legislature's desire to address the concerns of patients and families seeking access to life sustaining insulin for their loved ones. We too have heard these concerns and have developed programs intended to create a sustainable approach to providing this necessary help. As explained above, Novo Nordisk has taken steps to help ensure that people with diabetes are able to access affordable insulin. These programs reflect the complexity of the factors that contribute to a patient's affordability challenges and offer options that meet each patient in the multi-faceted circumstances in which they find themselves.

We understand that there has been a substantial public outcry about insulin prices and respectfully ask that the Legislature review the full spectrum of assistance programs now available to patients, both insured and uninsured. We also urge policy makers to examine the full system and how the funds in the system are being allocated. Unfortunately, too often patients with diabetes are not receiving the full benefit of the rebates and fees being paid to ensure affordable access. We remain strongly committed to patients and would welcome working with you to identify solutions that improve patient access and affordability.

Sincerely,



Jennifer Duck  
VP, Public Affairs