



February 8, 2023

The Honorable Chuck Schumer
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Leaders Schumer and McConnell:

We write to emphasize our concerns regarding the unintended consequences that will occur if employee out-of-pocket costs for insulin are capped at \$35 per month. We disagree with President Biden's State of the Union Speech call for the extension of Medicare copay caps for insulin to the private insurance market, which will increase the health care premiums employees pay and make employer health benefits less affordable. Congress should instead hold committee hearings to closely examine this proposal and its implications for other conditions and therapies. We urge you to oppose any legislative proposals to cap insulin out-of-pocket costs in the private market without careful consideration of the unintended consequences.

As we have stated in previous letters ([June 29, 2022](#) and [July 11, 2022](#)), the high cost of insulin is greatly concerning. These prices are unsustainable, especially for the uninsured. But a copay cap for plan participants without addressing the underlying cost of the medication itself merely shifts the high cost to employer plans and higher employee premiums by extension. We strongly urge you to employ additional oversight and other means of addressing this problem comprehensively rather than merely capping employees' out-of-pocket costs.

We believe capping out-of-pocket insulin costs in the commercial market would establish a dangerous precedent for other conditions without limit or a logical stopping point. In the not-too-distant past, Congress debated benefit mandates and raised the cost of coverage for employers and employees. Tethered pricing for drugs could become the next benefit mandate arms race. On the present question of insulin, why tether pricing of insulin and not do the same for other pharmaceuticals and biologics targeted to diabetes? They are all expensive. What condition or therapeutic for a chronic condition will be addressed next?

Partnership for Employer-Sponsored Coverage (P4ESC) members provide comprehensive coverage for their employees. In many cases, insulin is available for employees and covered dependents at less than the \$35 monthly copay these proposals call for. But high insulin costs add to health coverage costs for employers and employees, including those who are insulin dependent. As costs go up, copays may have to increase too.

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P4ESC strongly supports greater transparency for Pharmacy Benefit Managers (PBMs) and especially for insulin manufacturers. Greater review and scrutiny of their pricing practices is in order.

We encourage the committees of jurisdiction to hold hearings on this legislation to allow employers and other stakeholders to inform Members of the potential disruption and added cost to employer plans in all market segments. Please contact P4ESC's Executive Director Neil Trautwein at neil@trautweinstrategies.com for a meeting with P4ESC members. P4ESC welcomes the opportunity to further discuss this legislation.

Sincerely,

Partnership for Employer-Sponsored Coverage

cc: Members, U.S. Senate