

Fact check: Biden is right about \$35 insulin cap but exaggerates prior costs for Medicare enrollees

April 15 2024, by Samantha Putterman, KFF Health News



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Insulin for Medicare beneficiaries "was costing 400 bucks a month on average. It now costs \$35 a month."

President Joe Biden, in a March 22 speech

The cost of [insulin](#) in the United States has risen considerably in recent years, with some estimates finding that Americans have paid around 10 times as much for the drug as people in other developed countries.

But recent changes by the [federal government](#) and [drug manufacturers](#) have started to drive insulin prices down, something President Joe Biden often mentions at campaign events.

Biden told the crowd at a March 19 campaign reception in Reno, Nevada, that he's fought for years to allow Medicare to negotiate with drug companies.

"How many of you know someone who needs insulin?" Biden asked. "OK, well, guess what? It was costing 400 bucks a month on average. It now costs \$35 a month."

We've heard Biden make this point several times on the campaign trail—in other instances, he has said beneficiaries were paying "as much as" \$400 a month—so we wanted to look into it.

The Inflation Reduction Act, which Biden signed in 2022, caps out-of-pocket insulin costs at \$35 a month for Medicare enrollees. The cap took effect in 2023. In response, three drug manufacturers said they planned to reduce the price of insulin to \$35 through price caps or savings programs.

The legislation also helped patients by clarifying how much they would have to pay for insulin and other drugs.

But Biden overstated the average monthly cost that Medicare beneficiaries were paying before the law.

One government estimate for out-of-pocket insulin costs found that people with diabetes enrolled in Medicare or private insurance paid an average of \$452 a year—not a month, as Biden said. That's according to a December 2022 report by the Department of Health and Human Services using 2019 data. Uninsured users, however, paid more than twice as much on average for the drug, or about \$996 annually.

About half of US insulin users are on Medicare

More than 37 million Americans have diabetes, and more than 7 million of them need insulin to control their blood sugar levels and prevent dangerous complications. Of the Americans who take the drug, about 52% are on Medicare.

It's unlikely that many Medicare enrollees were paying the \$400 out-of-pocket monthly average Biden referred to, though it could be on target for some people, especially if they're uninsured, drug pricing experts told us.

"It would be more accurate to say that it could cost people on Medicare over \$400 for a month of insulin, but the average cost would have been quite a bit lower than \$400 on Medicare," said Stacie Dusetzina, a health policy professor at Vanderbilt University School of Medicine.

Medicare Part D, also called the Medicare prescription drug benefit, helps beneficiaries pay for self-administered prescriptions. The benefit has several phases, including a deductible, an initial coverage phase, a coverage gap phase, and catastrophic coverage. What Medicare beneficiaries pay for their prescriptions often depends on which phase they're in.

"It is confusing, because the amount that a person was supposed to pay jumps around a lot in the Part D benefit," Dusetzina said. For example,

she said, Medicare beneficiaries would be more likely to pay \$400 a month for insulin during months when they hadn't yet met their deductible.

Mariana Socal, an associate scientist at Johns Hopkins Bloomberg School of Public Health, said it's also difficult to estimate insulin's precise cost under Medicare because individual prices hinge on other factors, such as how many other prescription medications patients take.

"Because the Medicare program has multiple instances where the patient is required to pay a coinsurance (percentage of the drug's cost) to get their drug, it is very likely that patients were paying much more than \$35 per month, on average, before the cap established by the Inflation Reduction Act went into effect," Socal wrote in an email.

There are different ways to administer insulin, including through a pump, inhaler, or pen injector filled with the medicine.

In a 2023 report, HHS researchers estimated that about 37% of insulin fills for Medicare enrollees cost patients more than \$35, and 24% of fills exceeded \$70. Nationally, the average out-of-pocket cost for insulin was \$58 per fill, typically for a 30-day supply, the report found. Patients with private insurance or Medicare paid about \$63 per fill, on average.

For people with employer-sponsored insurance, the average monthly out-of-pocket spending on insulin in 2019 was \$82, according to a report published in October 2021 by the Health Care Cost Institute, a nonprofit that studies health care prices. The study found that the majority of patients were spending an average of \$35 a month, or lower, on the drug. But among the "8.7% of individuals in the highest spending category," the median monthly out-of-pocket spending on insulin was about \$315, the study said.

Our ruling

Biden said Medicare beneficiaries used to pay an average of \$400 per month for insulin and are now paying \$35 per month.

The Inflation Reduction Act capped the monthly price of insulin at \$35 for Medicare enrollees, starting in 2023. The change built in price predictability and helped insulin users save hundreds of dollars a year.

However, most Medicare enrollees were not paying a monthly average of \$400 before these changes, according to experts and government data. Costs vary, so it is possible some people paid that much in a given month, depending on their coverage phase and dosage.

Research has shown that patients with [private insurance](#) or Medicare often paid more than \$35 a month for their insulin, sometimes much more, but not as high as the \$400 average Biden cited.

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Citation: Fact check: Biden is right about \$35 insulin cap but exaggerates prior costs for Medicare enrollees (2024, April 15) retrieved 20 May 2024 from <https://medicalxpress.com/news/2024-04-fact-biden-insulin-cap-exaggerates.html>

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