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AN INVESTIGATION & REPORT

# **UNAFFORDABLE INSULIN:** UNINSURED AMERICANS STILL FACE HIGH COSTS AT THE PHARMACY COUNTER FOR ELI LILLY'S AUTHORIZED GENERIC

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PREPARED BY THE OFFICES OF U.S. SENATORS  
ELIZABETH WARREN, RICHARD BLUMENTHAL, AND RAPHAEL WARNOCK

## Executive Summary

This report – based on a survey of over 300 pharmacies nationwide – reviews the cost and availability at the pharmacy counter of Eli Lilly’s authorized generic, Insulin Lispro, for Americans without insurance.

In August 2022, President Biden signed the *Inflation Reduction Act* into law, which capped insulin costs for Medicare beneficiaries at \$35 per month – saving patients millions of dollars. But Republican opposition prevented passage of broader legislation that would have applied the same \$35 copay cap to Americans with commercial insurance. Even then, uninsured Americans – who must pay the full list price of the drug – would have been left with no help at all.

In response to increasing political pressure, the three largest insulin manufacturers – Eli Lilly, Sanofi, and Novo Nordisk – announced price cuts to their insulin products in March 2023. While most of these reductions will go into effect in the last quarter of 2023 or in January 2024, Eli Lilly announced that it would be lowering the price of its generic insulin product, Lispro, to \$25 per vial effective May 1, 2023.

But after surveying hundreds of pharmacies, this investigation finds that:

- **Patients still face significant problems obtaining affordable Insulin Lispro.** Patients often do not have ready access to the cheaper generic insulin. Nearly half – 43% – of surveyed pharmacies reported that they did not stock the inexpensive, generic insulin. In contrast, 79% reported that they stocked the more expensive brand name, Humalog.
- **Many patients are still forced to pay high prices for insulin.** The average Lispro price for uninsured patients at surveyed pharmacies was \$97.51 – nearly four times as high as the \$25 price point that Eli Lilly promised for its authorized generic. Seven pharmacies charged \$200 or more, and two sold Lispro for over \$300.
- **Patients must unravel a confusing thicket of coupons, competing generic drugs, and misleading information to get their insulin.** In many cases, unless patients are explicitly asking about the drug, they may not learn about the availability of lispro,, limiting the benefit of announced price cuts. Additionally, Eli Lilly’s own savings program is difficult to navigate and includes several restrictions based on geography or needs, frequently resulting in patients paying much more than \$25, even when the drug is available.

Overall, this report finds that far too many patients still do not have ready access to affordable insulin, and that federal legislation is needed to address ongoing problems with high costs and confusing drug company and pharmacy policies to ensure all Americans can access this life-saving drug.

## Introduction

While insulin manufacturers have raked in millions in profits,<sup>1</sup> patients in need of this life-saving drug have suffered. About one in six Americans with diabetes have had to ration insulin because they cannot afford it.<sup>2</sup> Among uninsured patients, insulin rationing was even more prevalent, with nearly 30% reporting skipping doses, taking less than prescribed, or delaying purchases in the past year.<sup>3</sup>

In August 2022, President Biden signed the *Inflation Reduction Act* into law.<sup>4</sup> Among other provisions to reduce drug costs, the law capped monthly insulin costs for seniors and people with disabilities enrolled in Medicare at \$35.<sup>5</sup> Experts estimated that 1.5 million people would have benefited from this policy and saved \$761 million had it been in effect in 2020.<sup>6</sup>

While Democrats also proposed a \$35 monthly out-of-pocket cap for insulin for Americans with commercial insurance, Republicans voted against this proposal and kept it from being included in the final law.<sup>7</sup> But patient advocates and members of Congress continued to fight to cut insulin costs for patients in need.

In March 2023, the three largest insulin manufacturers – Eli Lilly, Sanofi, and Novo Nordisk, announced that they would be lowering the list price of their respective insulins.<sup>8</sup> While most of these cuts will take effect in the fourth quarter of 2023 or in 2024, Eli Lilly announced that it would be voluntarily dropping the list price of its authorized generic – Lispro – from \$82.41 to \$25, effective May 1, 2023.<sup>9</sup> In announcing this change, David Ricks, Eli Lilly's Chair and Chief

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<sup>1</sup> Centers for Medicare and Medicaid Services, “Medicare Part D Drug Spending by Drug,” <https://data.cms.gov/summary-statistics-on-use-and-payments/medicare-medicaid-spending-by-drug/medicare-part-d-spending-by-drug/data>; “Medicaid Spending by Drug,” <https://data.cms.gov/summary-statistics-on-use-and-payments/medicare-medicaid-spending-by-drug/medicaid-spending-by-drug/data>.

<sup>2</sup> CNN, “1.3 million Americans with diabetes rationed insulin in the past year, study finds,” Naomi Thomas, October 17, 2022, <https://www.cnn.com/2022/10/17/health/insulin-rationing-diabetes-study/index.html>.

<sup>3</sup> ABC News, “3 in 10 uninsured Americans with diabetes may ration insulin: Study,” Meredith Deliso, October 18, 2022, <https://abcnews.go.com/Health/10-uninsured-americans-diabetes-ration-insulin-study/story?id=91672949>.

<sup>4</sup> Kaiser Family Foundation, “Explaining the Prescription Drug Provisions in the Inflation Reduction Act,” Juliette Cubanski, Tricia Neuman, and Meredith Freed, January 24, 2023, <https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/>.

<sup>5</sup> *Id.*

<sup>6</sup> Assistant Secretary for Planning and Evaluation, Office of Health Policy, “Insulin Affordability and the Inflation Reduction Act: Medicare Beneficiary Savings by State and Demographics”, January 24, 2023 <https://aspe.hhs.gov/sites/default/files/documents/bd5568fa0e8a59c2225b2e0b93d5ae5b/aspe-insulin-affordability-datapoint.pdf>.

<sup>7</sup> CBS News, “Senate Republicans block \$35 cap on price of insulin from Democratic bill,” Melissa Quinn, August 8, 2022, <https://www.cbsnews.com/news/insulin-price-cap-senate-republicans-block-inflation-reduction-act/>.

<sup>8</sup> Sanofi, “Press Release: Sanofi cuts U.S. list price of Lantus®, its most-prescribed insulin, by 78% and caps out-of-pocket Lantus costs at \$35 for all patients with commercial insurance,” press release, March 16, 2023, <https://www.sanofi.com/en/media-room/press-releases/2023/2023-03-16-20-06-43-2629188>; Novo Nordisk, “Novo Nordisk to lower U.S. prices of several pre-filled insulin pens and vials up to 75% for people living with diabetes in January 2024,” press release, March 14, 2023, <https://www.novonordisk.com/news-and-media/latest-news/lowering-us-list-prices-of-several-products-.html>; Eli Lilly and Company, “Lilly Cuts Insulin Prices by 70% and Caps Patient Insulin Out-of-Pocket Costs at \$35 Per Month,” press release, March 1, 2023, <https://investor.lilly.com/news-releases/news-release-details/lilly-cuts-insulin-prices-70-and-caps-patient-insulin-out-pocket>.

<sup>9</sup> *Id.*

Executive Officer, acknowledged that the health care system “does not provide affordable insulin for everyone and that [it] needs to change.”<sup>10</sup> He continued, “[t]he aggressive price cuts we’re announcing today should make a real difference for Americans with diabetes.”<sup>11</sup>

But this promise to make insulin more affordable is not new. Eli Lilly made a similar promise in March 2019 when it pledged to sell Insulin Lispro at “a list price 50 percent lower than the current Humalog list price.”<sup>12</sup> At the time, the company also promised to “work with supply chain partners to make [Lispro] available in pharmacies as quickly as possible” and indicated that “pharmacists will be able to substitute Insulin Lispro Injection for Humalog” because they are “the same insulin.”<sup>13</sup> However, a 2019 investigation by the Offices of U.S. Senators Elizabeth Warren and Richard Blumenthal revealed that the vast majority of patients who sought out Eli Lilly’s authorized generic were unable to obtain it at their local pharmacy.<sup>14</sup>

Four years later, Senators Warren, Blumenthal, and Warnock launched a new investigation to determine if Eli Lilly’s new promises have been realized for patients.

## Investigation Overview and Methodology

Between June 9–28, 2023, the Offices of Senator Elizabeth Warren, Blumenthal, and Senator Raphael Warnock conducted a national telephone survey of pharmacies to determine the availability and cost of Insulin Lispro – the authorized generic version of Humalog insulin – at the pharmacy counter for patients without insurance. The purpose of the survey was to uncover whether Eli Lilly’s announced price cut translated into real relief for patients.

Staff used the same methodology that was used in 2019 for this new survey and, to ensure comparability, called the same pharmacies.<sup>15</sup> Staff contacted chain and independent pharmacies from all 50 states plus the District of Columbia and Puerto Rico, by phone, and asked about the availability of Insulin Lispro vials. Staff chose one chain and one independent pharmacy in four counties in each state using data from the CDC’s Diabetes Interactive Atlas<sup>16</sup> (counties in the 25th, 50th, 75th, and 100th percentile of in-state population with diabetes). A chain pharmacy is any third party that operates a retail business with at least fifty retail outlets. An independent pharmacy is a small store with a maximum of three locations and one or two direct owners.

For counties without either a chain or independent pharmacy, staff substituted pharmacies within reasonable proximities of the county. Of the 408 pharmacies sampled, staff surveyed 332 pharmacies for the study. The remaining 76 pharmacies either did not provide the requested

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<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> Senators Elizabeth Warren and Richard Blumenthal, “Inaccessible Insulin: The Broken Promise of Eli Lilly’s Authorized Generic,” December 2019, p. 1, <https://www.warren.senate.gov/imo/media/doc/Inaccessible%20Insulin%20report.pdf>.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Centers for Disease Control and Prevention, “Diagnosed Diabetes,” <https://gis.cdc.gov/grasp/diabetes/diabetesatlas-sdoh.html>.

information or were unable to be contacted. The objectives of the calls were to determine the answers to the following questions:

- Did the pharmacy have Eli Lilly’s authorized generic, Insulin Lispro, in stock and available for patients at the pharmacy location? If pharmacies did not have Insulin Lispro in stock, were they able to order it?
- What was the price of the authorized generic, Insulin Lispro, and the price of the Humalog sold at the pharmacy?
- Did the pharmacy proactively indicate the availability of the lower-cost authorized generic Humalog alternative, Insulin Lispro? Or was the authorized generic only offered after being specifically requested?

## Findings

### A. Patients Have Difficulty Accessing Generic Insulin Lispro at the Pharmacy Counter

When Eli Lilly announced the launch of Insulin Lispro in 2019, the manufacturer claimed, “Lilly will continue to work with health plans, wholesalers, employers and the government to work toward permanent solutions that will help every person with diabetes afford their medicines.”<sup>17</sup> However, this investigation finds that patients are still struggling to access cheaper generic insulin four years later. Overall, 57% of pharmacies that provided information about Lispro reported that they had the inexpensive, generic insulin in stock for same-day purchase - meaning that almost half (43%), did not have it in stock. In contrast, 78% of pharmacies that provided information about Humalog reported that they had the more expensive brand name in stock.

Independent pharmacies were even less likely to have Lispro in stock. While 32% (54/169) of chain stores surveyed did not have an immediate stock of Insulin Lispro, about 56% of independent pharmacies (83/149) did not have it in stock for day-of purchase. By contrast, Insulin Humalog was in stock at 83% of chain pharmacies (143/173) and 76% of independent pharmacies (118/156). The fact that the majority of independent pharmacies did not have generic Insulin Lispro in stock poses a unique problem for patients in rural communities, because these communities are much more likely to be serviced by an independent or community pharmacy.<sup>18</sup>

While Insulin Lispro was in stock more consistently at chain pharmacies, there was wide variation across companies: Lispro was available in 22% of CVS pharmacies, 74% of Walgreens pharmacies, 82% of Rite Aid pharmacies, and 82% of Walmart pharmacies.

Although Insulin Lispro was significantly less available than Insulin Humalog, every pharmacy that did not have Lispro in immediate stock maintained that it could be ordered to the pharmacy

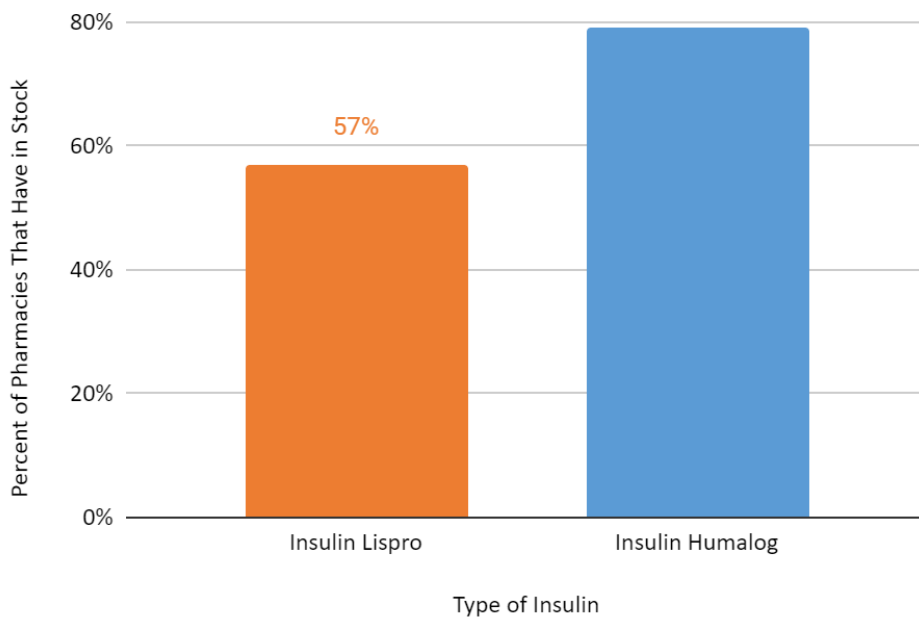
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<sup>17</sup> Eli Lilly and Company, “Lilly's Lower-Priced Insulin Now Available,” news release, May 22, 2019, <https://investor.lilly.com/news-releases/news-release-details/lillys-lower-priced-insulin-now-available>.

<sup>18</sup> Journal of the American Pharmacists Association, “Access to community Pharmacies: A nationwide geographic information systems cross-sectional analysis,” July 12, 2022, [https://www.japha.org/article/S1544-3191\(22\)00233-3/fulltext](https://www.japha.org/article/S1544-3191(22)00233-3/fulltext).

within a couple of days. The ability to order Lispro in almost 100% of pharmacies is an improvement from the findings in 2019 wherein only 31% of pharmacies were able to order the generic drug.<sup>19</sup> Nevertheless, the results of this survey indicate that Americans living with diabetes in need of an immediate or emergency supply would be unable to purchase the more affordable Insulin Lispro at almost half (43%) of all pharmacies.

Figure 1: Nearly Half of All Pharmacies Do Not Have Generic Insulin in Stock



### B. The Average Pharmacy Price of Insulin Lispro Was Over \$96, Well Above Lilly’s \$25 List Price

Alarming, even when Insulin Lispro is accessible, it is still far too expensive for many patients without insurance. Across the 332 pharmacies surveyed, the average price of Lispro at the pharmacy counter was \$97.51 for uninsured patients, almost four times as high as Lilly’s \$25 list price. At some pharmacies, prices were even higher: the highest-priced pharmacy charged \$330 for Insulin Lispro, and a third of pharmacies charged \$164 or more.

<sup>19</sup> Senators Elizabeth Warren and Richard Blumenthal, “Inaccessible Insulin: The Broken Promise of Eli Lilly’s Authorized Generic,” December 2019, p. 5, <https://www.warren.senate.gov/imo/media/doc/Inaccessible%20Insulin%20report.pdf>.

Figure 2: Costs for Generic Insulin for Uninsured Patients are Much Higher than the \$25 Target Price

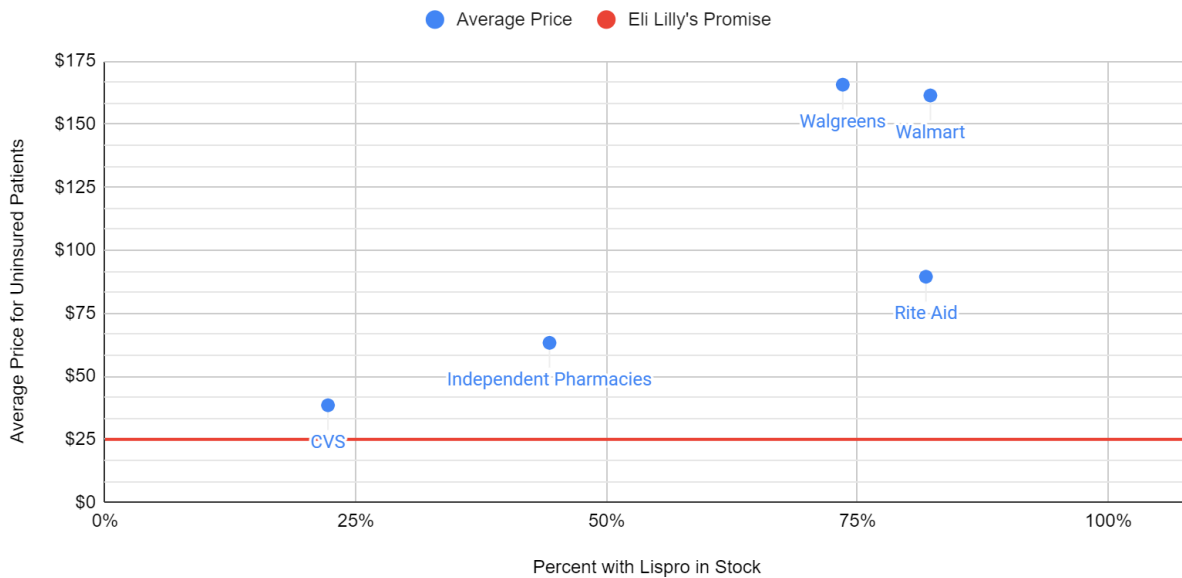


Although many independent pharmacies report difficulty negotiating fair prices with wholesalers preventing them from acquiring the drug at the same prices as chains, this investigation found that chain pharmacies charged nearly twice as much as independent pharmacies for Insulin Lispro. Chain pharmacies surveyed as part of this investigation charged uninsured patients an average of \$123.06 at the pharmacy counter for Insulin Lispro, compared to an average price of \$63.27 at independent pharmacies.

Prices for Lispro varied across chain pharmacies. For uninsured patients, the average price of Insulin Lispro at Walmart and Walgreens pharmacies was \$161.37 and \$165.61, respectively. By comparison, CVS offered Insulin Lispro for an average price of \$38.52, but only offered it at 22% (6/27) of their locations. Rite Aid had Insulin Lispro in stock at nine of the eleven locations staff contacted (9/11), but charged an average price of \$89.49.

This is a deeply troubling finding, revealing that the pharmacies offering the most affordable Insulin Lispro were the least likely to have it in stock, making it even harder for patients to find affordable insulin.

Figure 3: Pharmacies with Lispro in Stock Charge More for the Drug



### C. Confusion about Access to Low-Priced Insulin

While the percentage of pharmacies that have generic Insulin Lispro in stock has increased over the last four years – from 17% in 2019 to 56% in 2023 – many problems still exist that prevent uninsured patients from accessing needed insulin.<sup>20</sup> Uninsured patients who ask for insulin are frequently quoted prices for the more expensive, brand-name insulin or private-label insulin. And even when patients ask for the generic insulin, they often must jump through additional hoops to access the drug at an affordable price.

Some patients may only know about Humalog, which, although interchangeable with Insulin Lispro, is more than triple the average price. But when asked about Humalog insulin, only 32% of pharmacists at the pharmacies surveyed mentioned the generic Lispro without being prompted. By contrast, many pharmacists independently volunteered that Walmart offered its own private label insulin, ReliOn Novolog, which costs \$72.88.<sup>21</sup> And while Walmart did sell Insulin Lispro, it charged a much higher price at the pharmacy counter: the average price of Insulin Lispro at the Walmart pharmacies surveyed was \$161.37, more than double the pharmacy price of ReliOn Novolog.<sup>22</sup>

While savings opportunities exist, they are confusing to navigate. Coupons are provided by a number of third-party sites, but they are not consistently able to provide discounts for patients. Through Eli Lilly’s savings program, patients “may pay as little as \$35 per prescription per

<sup>20</sup> Senators Elizabeth Warren and Richard Blumenthal, “Inaccessible Insulin: The Broken Promise of Eli Lilly’s Authorized Generic,” December 2019, p. 5, <https://www.warren.senate.gov/imo/media/doc/Inaccessible%20Insulin%20report.pdf>.

<sup>21</sup> Walmart, ReliOn Diabetic Care, <https://www.walmart.com/cp/relion-diabetic-care/3769564>.

<sup>22</sup> *Id.*



month for a 30-day supply” of insulin, but this program falls short of its self-determined goal of providing \$25 Insulin Lispro.<sup>23</sup> Additionally, the offer does not guarantee an out-of-pocket cost of \$35, just that costs *may* be as low as \$35, with additional restrictions in Massachusetts and California. Given that the vast majority of pharmacists, when called, did not suggest the use of this coupon and that it requires navigating two separate systems – one for patients with commercial insurance and one for those without insurance – it is possible that many patients fail to take advantage of this benefit. This pricing ambiguity could have adverse effects for patients who struggle to afford their insulin.

## **Conclusion: Additional Federal Policy Changes Are Needed to Ensure that All Americans Have Access to Affordable Insulin**

The findings of this investigation reveal that Eli Lilly’s promises of affordable, accessible insulin have not been realized for uninsured patients across the country.

Despite lowering the list price of Insulin Lispro to \$25 per vial, the average cost of Eli Lilly’s generic Insulin Lispro for uninsured patients at the pharmacy counter is nearly \$100. Nearly half of pharmacies surveyed did not carry Lispro, and the stores that were more likely to have it in stock were also the ones with the biggest markups.

These findings make clear that drug manufacturer’s promises of price cuts alone are not enough to ensure affordable, accessible insulin at the pharmacy counter. Congress must take additional steps to rein in excessive prices, including by applying a \$35 monthly copay cap for insulin for *all* patients. Because uninsured patients are most affected by high prices, it is critical that any solution Congress considers also include protections for this population to ensure that no one in the U.S. is ever forced to choose between the insulin they need to survive and their livelihood.

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<sup>23</sup> Lilly Diabetes Solution Center, “Eli Lilly Savings Card,” 2023, [On File with the Office of Senator Elizabeth Warren].