



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF INSURANCE
Juneau Office

P.O. Box 110805
Juneau, Alaska 99811-0805
Main: 907.465.2515
Fax: 907.465.3422

April 26, 2022

The Honorable Liz Snyder
Co-Chair House Health & Social Services
State Capitol Room 106
Juneau, AK 99801

The Honorable Tiffany Zulkosky
Co-Chair House Health & Social Services
State Capitol Room 106
Juneau, AK 99801

RE: HB382 – “An Act relating to insurance coverage for pharmacy services.”

Chairs Snyder and Zulkosky,

During the last hearing in the House Health & Social Services Committee on HB 382, I was asked to provide answers to several questions regarding the cost, access, and availability of insulin for consumers in Alaska. Following are the answers that I have gathered, working with both the Department of Law and the Department of Health and Social Services.

Question 1: Has any Alaska Attorney General brought suit against the manufacturers of insulin to protect consumers from what many see as price gouging?

The Department of Law responded: Law is closely monitoring this consumer protection concern and will take a hard look at any litigation on point that is being brought by other states as well.

Question 2: Has the state looked at the possibility of manufacturing insulin similar to what California, Oregon, and Washington are doing? Has the state reached out to any of those states to see if it would be possible to purchase the insulin from them once their manufacturing facility is operational?

The Department of Health and Social Services responded: Division of Public Health has not researched this previously to our knowledge. This is something we would invest time to do if/when this proposal became law.

Question 3: Can we buy insulin from Canada and has the state considered that?

The Division of Insurance responded: The Trump administration okayed importation of Canadian drugs. The Canadian government objects to US states importing drugs. The rule disallows insulin from being imported.

...the Trump administration Thursday issued a request for proposals seeking plans from private companies on how insulin could be safely brought in from other countries and made available to consumers at a lower cost than products here. The request specified it would have to be insulin that was once in the United States and sent to other nations before being brought back.

Question 4: Has the state researched and/or considered Utah's Insulin Purchasing Program?

The Department of Health and Social Services responded: We have not researched the success of this program but can certainly do so or reach out to our counterparts in Utah. The program has only been off the ground for two years however, and it may be too early to gauge the overall efficacy. Alaska also has unique challenges regarding medication distribution given the vastness and diversity of our communities that may not make Utah's approach translatable here. Any effort would also need to be developed in partnership with the Tribal Health system to ensure the best chance of success.

Question 5: Could the Alaska Vaccine Assessment program be tweaked to buy insulin in bulk for Alaskan consumers or provide as Utah is doing?

The Department of Health and Social Services responded: This may be possible in the future but would require buy-in from payers and providers and is currently outside of the wheelhouse for the federally-funded IZ program as it is currently designed, which would likely require opening up the Alaska Vaccine Prevention Program regulations to make changes.

Question 6: Do we know how much the medical care is when someone is diabetic but cannot afford insulin (i.e. ends up with ERD and on dialysis)?

The Department of Health and Social Services responded: People with diagnosed diabetes incur average medical expenditures of \$16,752 per year, of which about \$9,601 is attributed to diabetes. On average, people with diagnosed diabetes have medical expenditures approximately 2.3 times higher than what expenditures would be in the absence of diabetes. For more information, <https://www.diabetes.org/about-us/statistics/cost-diabetes#:~:text=People%20with%20diagnosed%20diabetes%20incur,in%20the%20absence%20of%20diabete>
[s.](https://www.diabetes.org/about-us/statistics/cost-diabetes#:~:text=People%20with%20diagnosed%20diabetes%20incur,in%20the%20absence%20of%20diabete)

From the 2017 Evergreen report found here [2017 Cost of Chronic Conditions Evergreen Report](#) we know:

7.5% of all working age Medicaid eligible adults self-report having diabetes.

27.8% of all Medicaid eligible adults over 65 years of age self-report having diabetes.

Medicaid spending in FY16 for individuals with ONLY diabetes (1,189) was \$26,122 ea or \$31,058,558 total

In the same period Medicaid eligible adults with diabetes and one or more other condition (5,400) cost \$35,791 each or \$193,272,588 total

As always, we are happy to further discuss any of these matters with you when time permits.

Respectfully,



Lori Wing-Heier
Director

Cc: Commissioner Adam Crum
Commissioner Julie Sande
Attorney General Treg Taylor