

FOR IMMEDIATE RELEASE

Utah Attorney General, Division of Consumer Protection Sues Insulin Manufacturers
Lawsuit alleges an insulin pricing scheme between manufacturers and pharmacy benefits managers.

SALT LAKE CITY, UT – The Utah Attorney General and the Utah Department of Commerce’s Division of Consumer Protection (Division) filed a lawsuit today against insulin manufacturers Eli Lilly, Novo Nordisk, and Sanofi as well as pharmacy benefits managers (PBM) CVS Caremark, Express Scripts and OptumRx for their involvement in an insulin pricing scheme that has harmed hundreds of thousands of Utah diabetics and their families.

“Access to affordable insulin is, literally, a life-or-death issue. But, insulin makers and PBMs value billions in profits over the lives and wellbeing of Utahns. The markups and margins on insulin are unconscionable,” explained Utah Attorney General Sean D. Reyes. “Unrestrained greed cannot be allowed to direct our healthcare outcomes. This is one of the most egregious cases of avarice and inhumanity I have ever seen. It not only violates the law, but is morally repugnant too.”

Though the cost of producing diabetes drugs has decreased over time, the lawsuit alleges manufacturers and PBMs worked together to inflate the reported price of these medications up to 1,000 percent over the last decade. PBMs used their significant leverage in the pharmaceutical pricing chain to raise profits instead of lowering prices for consumers. Manufacturer defendants allegedly raised the reported prices of diabetes medication only to deceptively refund a significant portion back to PBMs through rebates, discounts, credits, and administration fees. This alleged scheme created an environment where patients were forced to pay artificially high prices for life-saving medications while PBMs and manufacturers reaped record profits. Patients with diabetes have collectively been overcharged millions of dollars a year for medication that is expensive only because the defendants know they can extract money from patients who would die without it.

“This pricing scheme is not only appalling, it's also unlawful,” said Margaret Woolley Busse, Executive Director of the Utah Department of Commerce. “We'll do everything in our power to hold these companies accountable for their unconscionable actions and for the damage they have caused to Utahns who rely on insulin for survival.”

Presently, 200,000 Utahns, approximately eight percent of the adult population, suffer from diabetes, and an additional 700,000 have pre-diabetes. The complaint alleges the total estimated cost after diabetes diagnosis to be \$1.7 billion per year just in Utah; one in every four dollars in healthcare is spent caring for diabetes patients. This excessive price of insulin and the prevalence of the disease have historically led to dangerous patient practices. In Utah, some patients have reported rationing or underdosing insulin, injecting expired insulin, and even reusing needles.

If you’ve been affected by insulin costs, the Division of Consumer Protection is inviting you to share your experience at dcp.utah.gov/insulin. Your input will be shared with the Division and might be used in this legal action.

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