

The Insulin Price Gouging Scam

What do you call a scenario where a consumer needs a product for survival and this product is only sold at an exorbitant markup? The same identical product made by the same company but sold with a different package NDC number. The brand name 15 ml insulin pens 5 pack retails at \$619.99, more than 17 times the wholesale price of \$35.84. The so-called generic retails at \$329.99 at more than 18 times the wholesale price of \$17.86. If we look at \$17.86 as a baseline for the wholesale price, the brand name wholesale price of \$35.84 is what diabetics pay at retail pharmacies in other countries. The commonly charged branded retail US price of \$619.99 represents a markup of nearly 35 times the baseline wholesale price of \$17.86. When I was first diagnosed, a 10 ml vial of insulin cost \$8, or \$12 for 15 ml for comparison. How is this legal? The marketing terms for this are called *price discrimination* and *price fixing or rigging*, when a company charges different prices for the same product within the same market. In the international arena *price discrimination* occurs when a company charges different prices for the same product in different countries. I have purchased American made insulin in Canada at fair prices without a prescription. The importation of insulin from Canada at fair prices was made illegal under the false pretext of safety. Yet a diabetic tourist visiting the US from a foreign country, after obtaining a prescription for insulin from a US doctor, would not have any other option than to pay the full retail pharmacy price. The same is true for uninsured diabetics.

The *scheme* is a rigged con game between pharmaceutical companies and insurance companies which deceive and lock out retail pharmacy customers on price to make themselves relevant. Insulin producers have a monopoly and together they act as *cartels*. They collude with insurance companies and engage in corrupt practices in plain sight. This is legalized racketeering pure and simple. It treats diabetics as pawns thus taking away their consumer power, destroying their economy, autonomy, independence, and worst of all their dignity. It limits diabetics' free choices and forces them to depend on for profit insurance companies or government assistance programs. Hospital and medical systems have also latched on to this pricing structure. The definition of a *free market* is that all the participants have the same information. Sadly diabetics are often the last ones in the marketplace to get the truth and have the right information. I don't call this freedom, I call it insulin slavery.

The COVID-19 pandemic and the current political discourse perfectly illustrate why diabetes has exploded as a medical condition in this country. There is an overwhelming amount of information out there and sometimes none at all where there should be. There is truth, fiction, misinformation, and disinformation and those who seek to profit from personal tragedy legitimately and otherwise. Diabetes kills more people than COVID-19, the only difference is the span of time. Food traditions, culture, and social pressure are contagious and promote the spread of diabetes. Because diabetes is a slow process it gets little attention and our society does not prioritize fixing this problem, since it is beneficial to the economy of many while it ruins the lives and economy of those afflicted. The COVID-19 pandemic kills quickly so it garners national attention. For comparison, the US government gives out the COVID-19 vaccines for free to the public and purchases it at wholesale cost: \$10 for J&J, \$15 for Moderna, \$20 initially, now \$24 for Pfizer. The technology for producing synthetic insulin which was developed in the 1970s and came to market in the 1980s made large scale production at a low cost possible. But that low cost is not being passed on to the consumer.

With COVID-19, people don't want to be told what to do. They refuse simple and valid advice that would save society great cost and lives. Diabetes is no different. People don't want to be told what to eat or how much to exercise until it's too late. People oppose simple sensible measures like banning trans fats or taxing sugary drinks but even these measures don't go far enough toward improvements such as eliminating inflammation-causing processed foods altogether. As the pandemic raged leaving supermarket shelves bare of fatty meats and starchy goods with long shelf lives, the one section that remained abundant was the healthy produce section.

Diabetes is very much a disease of over-nutrition coupled with inadequate exercise, resulting in inflammation. While many people will be spared the disease itself, many unknowingly increase their insulin resistance. In my experience under the right circumstances anyone can become diabetic. I firmly believe that the death toll and health consequences of COVID-19 would not have been so grave in the US if people took better care of themselves and market forces were not actively promoting a culture of disease. Conversely, being physically fit and eating right is no guarantee of a better outcome so there is no excuse for refusing vaccination. Even the American Association of Naturopathic Colleges which oversees the institutions that train natural medicine doctors supports COVID-19 vaccination. COVID-19 causes inflammation and some people have become diabetic after their recovery from COVID-19. As the costs mount and lives are ruined by diabetes, market players double down on promoting bad practices without any concern for the damage they cause as people feed their gluttonous food addictions with S.A.D. the Standard American Diet.

I wish that the pharmaceutical advertisers that market insulin and diabetes medications knew how offensive their TV ads really are. They make a trivial mockery of the lives diabetics have to live. The fantasy display of joy that people experience while taking their products does not show the real world side effects that are also part of the diabetes experience. Like a politician who tried to sell me ventilators as his solution for the COVID-19 pandemic. Like the mocking COVID deniers who think it's just a flu or a government hoax. When I was growing up 'the war on drugs' became the war on diabetics because of the suspicion people had when seeing someone injecting a hypodermic needle, associating it solely with illegal drug use. While ads educate people of the existence of diabetes they lead people into a false sense of security that their lives will return to normal. There is nothing normal about taking insulin, it is not a perfect experience that eliminates the problem. Diabetes makes a person unequal. When you lose your health, you lose your freedom. No surgery or medication can ever replace the quality of life you had before. I know their products are cause for celebration in boardrooms and shareholders' meetings but they are no cause for celebration for those who have to take them. They are a daily reminder of what makes us different. Diabetes always gets worse and eventually people taking other diabetes medications end up on insulin, not because the pancreas is failing, but because they are unwilling or unable to change their lifestyles. Like ventilators for COVID-19, I don't consider bariatric surgery for diabetes to be the correct solution to the problem. I dream of the day when the diabetes party is over for them and diabetics can celebrate taking back control of their own lives. Maybe they wouldn't have to charge customers so much if they would stop spending so much money on advertising. They should lower their prices instead, or invest in education and diabetes prevention since they have all that extra cash lying around. Pharmaceutical advertising like tobacco advertising should be banned.

If the retail marketplace would charge \$100 for a gallon of milk, \$36 for a dozen eggs, or \$90 for a gallon of gas, people would be up in arms. Dairy products, excess proteins and fat are not good for diabetes as gas is not good for the environment. Yet this is the indignation diabetics have had to bear quietly without the ability to complain. Whether it's the price of insulin, nutritional or medical advice, diabetics often get gaslighted unless they stick to the pre-accepted script like school children. No complaining is allowed.

Since the start of the COVID-19 pandemic many individuals and businesses have been prosecuted for hoarding, price gouging, and hawking various essential items from toilet paper to hand sanitizer to PPE. The items they were trying to sell were seized. They were practicing free market capitalism, but their only mistake was that they were not a member of the cartel and didn't lobby the government for exemptions from prosecution. Why is it different with insulin? There is no good reason why insulin can't be sold at fair prices like in many other countries. I have to maintain 6 different prescriptions for insulin and supplies. Prescriptions are typically written for a 6 month supply. Getting prescriptions takes valuable time away from doctor's visits and when errors happen it gets really frustrating to fix the problem without a new visit. Before synthetic insulin, there was no prescription requirement to buy insulin. Diabetics

should be freed from this onerous process. Diabetics should be able to use a one-time lifetime prescription card confirming that they are diabetic and entitled to use insulin and diabetes supplies to prevent non-diabetics from purchasing insulin for nefarious purposes. Diabetics with limited income should be allowed to purchase insulin at cost. Only the most destitute should have to force themselves to accept government assistance.

Diabetics already have a difficult part-time job of diabetes management which intrudes upon every hour of the day. They should not have to jump through hoops or have to navigate complex systems or bureaucracies to obtain insulin any more than others should have difficulty buying staple grocery items.

When the marketplace self-regulates for the benefit of consumers, less government is warranted. When the marketplace does not self-regulate, only seeks its own benefit to the detriment of consumers, more government is warranted so that there is 'freedom and justice' for all. The healthcare and pharmaceutical industries should not be for-profit activities. Maybe it's time for Medicare for All with optional supplemental private insurance.

The author has had insulin resistance type 2 diabetes and has been taking insulin since the age of 7.

By Paul Tubiana
Bethlehem, PA

References and notes:

Brand name:

“The NDC Code 0169-6339-10 is assigned to a package of 5 syringe, plastic in 1 carton > 3 ml in 1 syringe, plastic of Novolog, a human prescription drug labeled by Novo Nordisk. The product's dosage form is injection, solution and is administered via intravenous; subcutaneous form.

The National Average Drug Acquisition Cost (NADAC) **wholesale price per unit for NDC 0169-6339-10 is \$35.83585** and is up-to-date as of 01-05-2022.”

<https://ndclist.com/ndc/0169-6339/package/0169-6339-10>

CVS Pharmacy list price: \$619.99

Package code: **List 633910**

Generic:

“The NDC Code 73070-103-15 is assigned to a package of 5 syringe, plastic in 1 carton > 3 ml in 1 syringe, plastic (73070-103-10) of Insulin Aspart, a human prescription drug labeled by Novo Nordisk Pharma, Inc. The product's dosage form is injection, solution and is administered via intravenous; subcutaneous form.

The National Average Drug Acquisition Cost (NADAC) **wholesale price per unit for NDC 73070-103-15 is \$17.85648** and is up-to-date as of 01-05-2022.”

<https://ndclist.com/ndc/73070-103/package/73070-103-15>

CVS Pharmacy list price: \$329.99

Package code: **List 010315**

Tues. Jan. 11, 2022

I received an automated message from the pharmacy stating that my refill order for insulin was declined because it is not covered by my insurance company, and that they were contacting my doctor. I was shocked, I had my prescription refilled last month with no problems.

Wed. Jan 12, 2022

I had an emergency to deal with so I could not deal with this problem.

Thurs. January 13, 2022

Still dealing with emergency, I tried to reach the pharmacy by phone but no one answers, but I had to pick up a different order at the pharmacy drive thru. So there, I spoke with the pharmacist who told me that I needed to contact my doctor about getting a new prescription. I replied that my doctor will not answer your request unless I get involved and call him. I told her that I was not aware of a formulary change and my insurance company did not inform me of one as they had in the past. I asked what products are covered and I was given three names. She mentioned that there was another product by the same company but she was unaware what the difference was or why they were changing it.

So, I contacted my insurance company to complain about this and I said in my rant:

We are in the middle of a pandemic. The pharmacy is busy, overworked, and short staffed. They cut their hours. Now I have to go to my doctor who is also busy, to get a new prescription. Your company did not inform me of changes in the formulary as it had done in the past. It's bad enough diabetics have to deal with diabetes management day to day but we have to jump through hoops just to get a new script every time your company wants to save a few bucks. A lot of diabetics who are on a short supply will be harmed by this policy.

At first she was not certain but as she looked into the matter she became more confident and she corrected me:

You probably don't need to go to your doctor. You probably don't need a new prescription. There is a generic product. The same identical product made by the same company but sold with a different NDC number. Your pharmacist should be able to switch it as a generic on the same prescription, only using a different company would require a new prescription.

The insurance company's pharmacy benefits customer service agent wanted to call the pharmacy but was not aware that the store hours are not the same as the pharmacy dept. hours which were shortened, so the pharmacy was in fact already closed. I asked her if she could call them tomorrow but she said that she can only do it within the protocol, to call them while I am on the phone with her. I tried to look up the company's new formulary as I was speaking with her but I was unable to open the document online.

So after not being offered much of a solution, I asked her to give me the NDC numbers for the generic products. So she explained the insurance company will only pay for these 3 specific NDC numbers for the generic version of the exact same products from each of the three major insulin companies.

Afterwards, I searched online for the new NDC number and the old NDC number from my last refill and the descriptions matched perfectly. That's where I got sticker shock from the wholesale prices which are close to the prices for insulin in other countries.

Fri, Jan. 14, 2022

In order to save myself the next step of going to my doctor for a new prescription. I wrote down the new NDC number and handed it to the pharmacy staff at the drive thru. I explained the conversation I had with my insurance company. I said you will probably have to order this and the person confirmed that they did not have it. So, I was told it would probably arrive Monday.

Sat, Jan. 15, 2022

I received an automated call from the pharmacy informing me that the product is out of stock. I wasn't sure if it was just because it was still out of stock in the store or if the distributor was out of stock. But I would wait anxiously until Monday.

Mon, Jan. 17, 2022

It arrived and the package looks nearly identical. A delay of a week without my doctor, much longer if I needed my doctor to write a new script, dangerous when the insulin supply is tightly rationed.

What's more insulting is that when there is a co-pay, it covers the cost of insulin so the net cost for insurance companies is \$0.00

<https://www.pharmaceutical-technology.com/analysis/covid-19-vaccine-pricing-varies-country-company/>

<https://thehill.com/changing-america/well-being/prevention-cures/592114-diabetes-deaths-exceed-100000-in-us-for-second>

<https://www.goodrx.com/healthcare-access/research/how-much-does-insulin-cost-compare-brands>

<https://www.marketplace.org/2022/01/28/insulin-began-saving-lives-a-century-ago-why-is-it-still-so-unaffordable/>

<https://pharmanewsintel.com/news/insulin-prices-8x-higher-in-the-us-compared-to-similar-nations>

<https://www.rand.org/blog/rand-review/2021/01/the-astronomical-price-of-insulin-hurts-american-families.html>

<https://aanmc.org/featured-articles/aanmc-statement-on-covid-19-vaccination/>

NDC 0169-6339-10

List 633910

NovoLog® FlexPen® Prefilled Syringe

Insulin aspart Injection

For Single Patient Use Only

100 units/mL (U-100)
5x3 mL Prefilled Insulin Syringes

Rx only

For use with NovoFine®,
NovoFine® Plus or NovoTwist®

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**NOVOLOG
100 UNIT/ML
FLEXPEN**

Inject 5-15 units under
the skin 3 times a day
with meals

Important Information

- Refrigerate unopened product. Store product at room temperature after opening.
- Discard unused portion after 28 days.

- Before using alcohol with this drug, talk to your healthcare professional.
- Date opened
- Date opened

Caution: Federal law prohibits the transfer of this drug to any person other than the patient for whom it is prescribed.



NDC 73070-103-15

List 010315

Insulin Aspart FlexPen® Prefilled Syringe

Injection

For Single Patient Use Only

100 units/mL (U-100)
5x3 mL Prefilled Insulin Syringes

Rx only

For use with NovoFine®,
NovoFine® Plus or
NovoTwist®
disposable needles.

Keep in a refrigerator at
36°F to 46°F (2°C to 8°C)
until first use. After first
use store out of the
refrigerator below 86°F
(30°C) for up to 28 days.
Avoid freezing.
Protect from light.

Dispense in this sealed
carton.

Paul
Tubiana

**INSULIN
ASPART 100 UN-
IT/ML PEN**

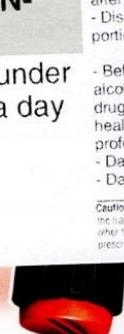
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- Date opened

Caution: Federal law prohibits the transfer of this drug to any person other than the patient for whom it is prescribed.



Promised: 12/13/21, 6:00 PM

Scripts: 01 ReadyFill™ Eligible

TU

REF



27 0673003 000 000 00 0000000

Tubiana, Paul

Bethlehem, PA 18017

DOB: [REDACTED] TEL: [REDACTED]

Prescription Information

MORNING	SEE DIRECTIONS	NOVOLOG 100 UNIT/ML FLEXPEN
MIDDAY		
EVENING		
BEDTIME		
<p>Inject 5-15 units under the skin 3 times a day with meals</p> <p>Important Information</p> <ul style="list-style-type: none"> - Refrigerate unopened product. Store product at room temperature after opening. - Discard unused portion after 28 days. - Before using alcohol with this drug, talk to your healthcare professional. - Date opened _____ - Take or use this exactly as directed. Do not skip doses or discontinue. 		

PHARMACY ADVICE
See back for more information

Receipt & Refill Information

CVS Pharmacy [REDACTED] STORE TEL: (610) 837-4220 RX: 3003 00	STORE# [REDACTED]	NOVOLOG 100 UNIT/ML FLEXPEN
INSURANCE INFORMATION: [REDACTED]		NDC: 00169-6339-10 DAW: 0 QTY: 15 ML
		CAP: Safety MFR PKG: Yes
		REFILL: 3 by 11/15/22 MFR: NOVO NORDISK PRSCBR: [REDACTED] DAYS SUPPLY: 30 DATE FILLED: 12/13/21
RETAIL PRICE: \$619.99		AMOUNT DUE: \$ [REDACTED]

Notes from the Pharmacy

 Get important updates to help you stay on track with your health. See back for details.



OPEN HERE

Promised: 1/17/22, 5:55 PM

Scripts: 01 ReadyFill™ Eligible

TU

REF



27 0673003 001 003 00 0000000

Tubiana, Paul

Bethlehem, PA 18017

DOB: [REDACTED] TEL: [REDACTED]

Prescription Information

www.cvs.com/druginfo

MORNING	SEE DIRECTIONS	INSULIN ASPART 100 UNIT/ML PEN
MIDDAY		
EVENING		
BEDTIME		
<p>Inject 5-15 units under the skin 3 times a day with meals</p> <p>Important Information</p> <ul style="list-style-type: none"> - Refrigerate unopened product. Store product at room temperature after opening. - Discard unused portion after 28 days. - Before using alcohol with this drug, talk to your healthcare professional. - Date opened _____ - Take or use this exactly as directed. Do not skip doses or discontinue. 		

PHARMACY ADVICE
See back for more information

Receipt & Refill Information

CVS Pharmacy [REDACTED] STORE TEL: (610) 837-4220 RX: 3003 01	STORE# [REDACTED]	INSULIN ASPART 100 UNIT/ML PEN
INSURANCE INFORMATION: [REDACTED]		NDC: 73070-0103-15 DAW: 0 QTY: 15 ML
		CAP: Safety MFR PKG: Yes
		REFILL: 2 by 11/15/22 MFR: NOVO NORDISK PRSCBR: [REDACTED] DAYS SUPPLY: 30 DATE FILLED: 1/17/22
RETAIL PRICE: \$329.99		AMOUNT DUE: \$ [REDACTED]

Notes from the Pharmacy

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OPEN HERE