

The legislation would limit how much private health insurance plans offering coverage in the commercial market and under Medicare Part D could require enrollees to pay out of pocket for certain insulin products. The bill also would allow manufacturers to certify their insulin products if they meet certain pricing criteria. To certify an insulin product, a manufacturer would have to reduce the list price of a product to the price net of negotiated manufacturer rebates in Part D in 2021 and limit growth in prices to inflation. Health plans would be required to cover certified products on formularies without utilization management and could not receive price concessions from manufacturers for those products.

**Estimated Budgetary Effects of the Improving Needed Safeguards for Users of Lifesaving Insulin Now Act, as Posted on the Website of Senator Shaheen on July 11, 2022 (version TAM22C90)**

[https://www.shaheen.senate.gov/imo/media/doc/Insulin%20Act\\_final.pdf](https://www.shaheen.senate.gov/imo/media/doc/Insulin%20Act_final.pdf)

		By Fiscal Year, Millions of Dollars												
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022-2027	2022-2032
<b>Increases in Direct Spending</b>														
<b>Titles I and II. Patient Protections With Respect to the Cost of Insulin</b>														
Medicare Part D														
	Budget Authority	15	0	1,063	1,431	1,882	870	553	523	605	651	699	5,261	8,292
	Outlays	0	8	1,067	1,434	1,882	870	553	523	605	651	699	5,261	8,292
Medicaid														
	Budget Authority	0	0	558	737	787	825	863	907	955	1,008	1,063	2,907	7,703
	Outlays	0	0	558	737	787	825	863	907	955	1,008	1,063	2,907	7,703
Private Health Insurance <sup>a</sup>														
	Budget Authority	0	7	37	50	51	54	61	62	61	60	65	199	508
	Outlays	0	7	37	50	51	54	61	62	61	60	65	199	508
<b>Total Changes in Direct Spending</b>														
	<b>Budget Authority</b>	<b>15</b>	<b>7</b>	<b>1,658</b>	<b>2,218</b>	<b>2,720</b>	<b>1,749</b>	<b>1,477</b>	<b>1,492</b>	<b>1,621</b>	<b>1,719</b>	<b>1,827</b>	<b>8,367</b>	<b>16,503</b>
	<b>Outlays</b>	<b>0</b>	<b>15</b>	<b>1,662</b>	<b>2,221</b>	<b>2,720</b>	<b>1,749</b>	<b>1,477</b>	<b>1,492</b>	<b>1,621</b>	<b>1,719</b>	<b>1,827</b>	<b>8,367</b>	<b>16,503</b>
<b>Decreases (-) in Revenues</b>														
<b>Titles I and II. Patient Protections With Respect to the Cost of Insulin</b>														
Private Health Insurance <sup>a</sup>														
	<i>On-Budget Revenues</i>	0	-92	-462	-612	-687	-738	-770	-802	-836	-871	-909	-2,591	-6,779
	<i>Off-Budget Revenues</i>	0	-65	-326	-432	-500	-543	-568	-592	-617	-643	-673	-1,866	-4,959
	<i>Off-Budget Revenues</i>	0	-27	-136	-180	-187	-195	-202	-210	-219	-228	-236	-725	-1,820

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	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	<b>Net Increase in the Deficit</b>												
	<b>From Changes in Direct Spending and Revenues</b>												
<b>Effect on the Deficit</b>	<b>0</b>	<b>107</b>	<b>2,124</b>	<b>2,833</b>	<b>3,407</b>	<b>2,487</b>	<b>2,247</b>	<b>2,294</b>	<b>2,457</b>	<b>2,590</b>	<b>2,736</b>	<b>10,958</b>	<b>23,282</b>
<i>On-Budget Deficit</i>	0	80	1,988	2,653	3,220	2,292	2,045	2,084	2,238	2,362	2,500	10,233	21,462
<i>Off-Budget Deficit</i>	0	27	136	180	187	195	202	210	219	228	236	725	1,820

Components may not to sum to totals because of rounding.

Staff Contacts: Chad Chirico and Paul Masi

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

The costs of the legislation fall within budget functions 550 (health) and 570 (Medicare).

The bill would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by capping the amount that certain group and individual health insurance plans may require enrollees to pay out of pocket for insulin products and requiring coverage of certified insulin products. CBO estimates that the average annual cost to comply with the mandates would exceed the private-sector threshold established in UMRA (\$184 million in 2022, adjusted annually for inflation).

On March 30, 2022, CBO transmitted a cost estimate ([www.cbo.gov/publication/57957](http://www.cbo.gov/publication/57957)) for H.R. 6833, the Affordable Insulin Now Act, as posted on the website of the House Committee on Rules on March 28, 2022. That legislation also would limit cost sharing for certain insulin products covered by private health insurance plans in the commercial market and under Medicare Part D. In addition, it would delay implementation of a rule related to manufacturer rebates in Part D and increase funding for the Medicare Improvement Fund (MIF). CBO estimated that H.R. 6833 would have no net effect on the federal deficit over 10 years and that the insulin-related provisions of the bill would increase federal deficits by \$11.4 billion over that period. This estimate for the Senate legislation reflects the differences between the two bills including an estimated increase in the average net price of insulin resulting from the certification process, an estimated increase in Medicaid spending resulting from a reduction in rebates paid by insulin manufacturers, and changes to limits on cost sharing. The Senate legislation also does not include the provisions that would delay implementation of the rule related to manufacturer rebates or increase funding for the MIF.

- a. Includes subsidies for employment-based health insurance, health insurance coverage provided through the marketplaces established under the Affordable Care Act, and the Federal Employees Health Benefits program.