

# Shocking Disparity Between Insulin Prices and Cost of Production

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A study published today (Tuesday 25 September) in [BMJ Global Health](#) shows that, in a global market dominated by just three multinational companies, people living with diabetes are paying far more than they should for life-saving insulin.

The paper, "[Production costs and potential prices for biosimilars of human insulin and insulin analogues](#)"—funded by Health Action International's Addressing the Challenge and Constraints of Insulin Source and Supply ([ACCISS](#)) Study—provides a unique look at the insulin market.

In it, the authors estimate the profitable manufacturer's selling price for one year's supply of biosimilar human insulin to be about \$48-\$71 per person, with most analogue insulins being \$78-\$133 per person per year.

The widely used long-acting analogue insulin, glargine, for example, should be priced at about \$78-\$108 for one person's annual supply. [Data from the ACCISS Study](#) shows governments are paying substantially more for glargine, at anywhere between \$531-\$1251 per person per year.

Dr Dzintars Gotham, the lead author of the study, said:

"There is little public information about how much medicines cost to manufacture. Our analysis offers, for the first time, an insight into the insulin market and how prices could decrease, especially for analogues. However, there are few biosimilars on the market. But if there is more competition, our analysis suggests that prices could drop substantially, even assuming high development costs. The question now is what could enable more competition".

Co-author, Dr Andrew Hill of the University of Liverpool, added:

"Anyone with type 1 diabetes should be able to buy insulin for under \$100 per year, including the long-acting forms. Insulin is an essential medicine for millions of people with type 1 diabetes, discovered almost 100 years ago. Pharmaceutical companies cannot justify charging governments \$532 per person per year in the United Kingdom and \$1251 in the United States, let alone similar amounts in low- and middle-income countries".

Dr Margaret Ewen, HAI Global Pricing Coordinator and Co-lead Investigator of the ACCISS Study, welcomed the findings of this paper:

"It is unacceptable that governments and people are paying so much more than the cost of

production for insulin. Estimating the cost of production for hepatitis C treatment was instrumental in getting dramatic price cuts. This needs to happen now for insulin.”

The ACCISS Study, of which this paper is one of a series of studies on the insulin market, has made a number of recommendations to improve the affordability of this life-saving drug. High among these is the need for policies that promote competition in the insulin market.

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