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3. AZ Attorney General sues pharmaceutical companies for insulin prices

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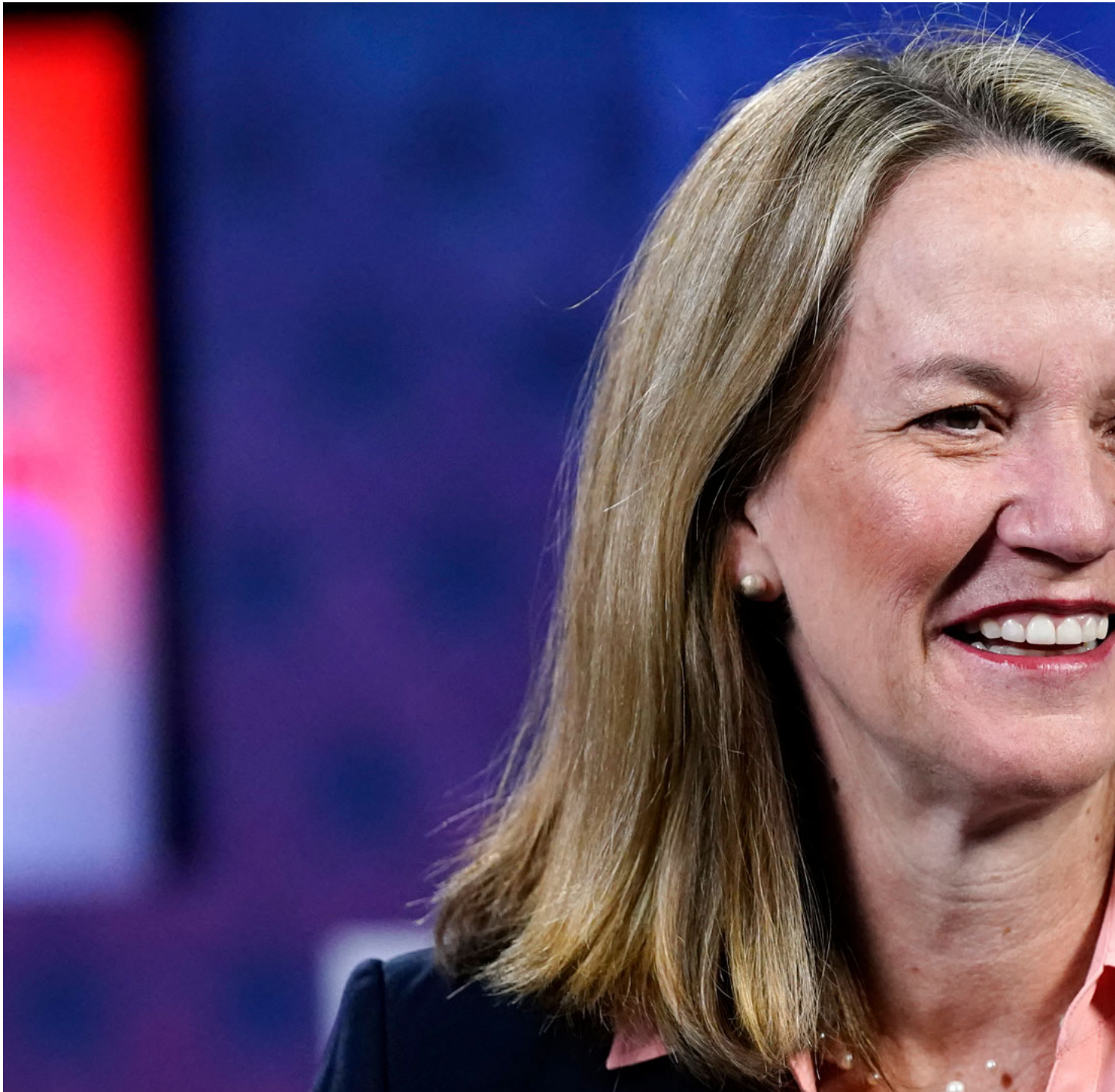
AZ Attorney General sues pharmaceutical companies for insulin prices

The suit seeks civil penalties from companies like OptumRx and Eli Lilly.

by [Hannah Cree](#)

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Kris Mayes, a Democratic candidate for Arizona attorney general, smiles before a debate against Republican Abraham Hamadeh on Sept. 28, 2022.
Ross Franklin, AP Photo

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Arizona Attorney General Kris Mayes is suing insulin manufacturers and pharmacy benefit managers for allegedly inflating the price of insulin and keeping excess profits.

Drug manufacturers pay pharmacy benefit managers, or PBMs, a rebate in exchange for higher priority on their drug formulary. A formulary is a list of medications and their prices available to patients under their health insurance.

And although they were originally created to try to decrease the cost of prescription drugs for consumers, pharmaceutical companies blame PBM rebates as the reason they have to keep increasing prices.

And in the case of insulin, the lawsuit alleges that the named companies artificially inflated the list prices of insulin and then paid a significant portion of the inflated price back to the PBMs in exchange for higher priority on the formularies.

“Despite promises to pass along the increased rebates to health insurers and patients, the PBMs instead used complex financial and business structures to keep a large part of the inflated profits for themselves,” the Attorney General’s office wrote in a press release.

The lawsuit is seeking civil penalties from three PBMs: CVS Caremark, Express Scripts, and OptumRx, and three insulin manufacturers; Novo Nordisk Inc., Sanofi-Aventis U.S. LLC, and Eli Lilly and Company.

According to the lawsuit, the price of insulin has increased disproportionately to other goods and services in the last 20 years. The same vial of insulin that cost \$20 in 1990 can now be listed as high as \$700.

The suit would also force the companies to give up their excess profits from insulin sales.

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Jon Sowell

2 months ago

she should sue the federal government whose polices have lead to massive profits for the drug companies and shortages of generic drugs by destroying the pricing system between consumer and manufacture there the third party payer system....this looks good for the obsequious media and certain constituents but it will NOT solve this problem and will likely make it worse.....if we never get to the core root of the problem, which is extra-constitutional government, we will never solve anything except the problem of politicians to get re-elected...

No one will really understand politics until they understand that politicians are not trying to solve our problems. They are trying to solve their own problems - of which getting elected and re-elected are number one and number two."-Thomas Sowell

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