



EPIPEN PRICING

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ISSUE

Can Connecticut limit the price manufacturers charge for epinephrine auto injectors (e.g., EpiPens) used to treat life-threatening allergic reactions? Has the state considered any EpiPen-related legislation?

SUMMARY

Connecticut does not regulate prescription drug prices, which includes the cost of devices used to self-administer drugs. Generally, the federal, not the state, government regulates drug manufacturers and allows them to set their own prices which they negotiate with public and private payors (e.g., Medicare, Medicaid, and private health insurers).

EpiPens, which are manufactured by the pharmaceutical company Mylan, have received considerable media attention recently, due to their continuous increase in price. The company, which originally charged approximately \$60 for the device in 2007, now charges up to \$600 for a pack of two pens.

In response to public concerns regarding the price increase, the U.S. House Committee on Oversight and Government Reform held a [hearing](#) on the issue in September 2016. During the hearing, Mylan's CEO announced that the company plans to release a generic version of the pen that costs \$300.

Over the last few years, the Connecticut legislature considered several bills concerning EpiPens, primarily regarding their administration and storage in public schools. Most recently, in 2015 it considered, but did not pass, a bill requiring the insurance commissioner to study and report on health insurance coverage of and out-of-pocket expenses for EpiPens ([SB 235](#)).



EPIPEN PRICING

Prescription Drug Pricing

The federal government regulates prescription drug manufacturers and allows them to set their own prices which they negotiate with public and private payors (e.g., Medicare, Medicaid, and private health insurers). Additionally, the federal Food and Drug Administration gives manufacturers of new, approved brand-name drugs market exclusivity for a defined time period. For example, new biologic drugs are protected from competition for 12 years and small-molecule drug products for a period of between five and seven years. Manufacturers may also receive patents from the U.S. Patent and Trademark Office granting them intellectual property rights for up to 20 years (Mylan's EpiPen patent expires in 2025). Additional information on prescription drug pricing is available in this August 2016 study in the Journal of the American Medical Association:

<http://jama.jamanetwork.com/article.aspx?articleid=2545691>.

Decreases in prescription drug prices typically occur with the availability of generic drugs or treatment alternatives. Epinephrine itself is a generic drug, however it is the auto-injector that drives the price of the drug. Few alternatives to EpiPen exist, as most have been discontinued for reasons, such as improper dose delivery (e.g., Twinject in 2012 and Auvi-Q in 2015). [Adrenaclick](#) is an available alternative and costs approximately \$140. It provides the same medication and dosage as EpiPen, but uses different technology and method of administration.

EpiPen Cost Increases

Over the last decade, Mylan has continuously increased the EpiPen's cost, from approximately \$60 in 2007 to over \$600 in 2016 for a pack of two pens. The device requires a prescription and must be replaced annually.

In response to public concerns regarding this increase, several federal legislators, including Connecticut Sen. Richard Blumenthal, contacted Mylan, requesting that the company lower the pen's cost. (A copy of Sen. Blumenthal's letter to Mylan is available [here](#).) Additionally, on September 21, 2016, the U.S. House Committee on Oversight and Government Reform held a hearing on the issue. During the hearing, Mylan CEO, Heather Bresch, [testified](#) that the company will do the following:

1. release a generic version of the device for \$300,
2. create a direct ship option that allows patients to purchase the generic version directly from Mylan,

3. increase its My EpiPen Savings Card program benefit for the brand product from \$100 to \$300, and
4. expand income eligibility for receiving free EpiPens from \$48,600 to \$97,200 for a family of four.

EPIPEN RELATED CONNECTICUT LEGISLATION

Over the last few years, the legislature has considered several bills concerning EpiPens. Most recently, the following laws passed:

1. [PA 14-176](#): requires (a) schools to designate and train nonmedical staff to administer EpiPens to students having allergic reactions who were not previously known to have serious allergies and (b) the public health and education departments to jointly develop an annual training program for emergency EpiPen administration and
2. [PA 09-155](#): requires the State Department of Education to adopt regulations on medication administration by school personnel and student self-medication, including EpiPen use.

Additionally, in 2015 the legislature considered, but did not pass, a bill requiring the insurance commissioner to study and report on health insurance coverage of and out-of-pocket expenses for EpiPens ([SB 235](#)).

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