



[RunawayRx](#), a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

[California Healthline](#) provides a stark example of how significant price increases for just one drug adds millions of dollars to the health care tab. The article reveals that a 50 percent price hike on insulin increased CalPERS spending for that drug by \$4.7 million even though the number of prescriptions declined. That's nearly \$5 million out of the pockets of public employees and taxpayers. CalPERS covers 90 percent of medication costs for its members but has repeatedly cited rising drug prices as a major factor driving up [premiums](#).

Price Hike For One Diabetes Drug Costs CalPERS Millions

By Pauline Bartolone | August 26, 2016



“Soaring prices for new diabetes medications and other lifesaving prescription drugs aren’t just straining consumers’ pocketbooks. They’re putting a dent in government budgets, too — including California’s public worker pension system, the nation’s largest.

“The price for just one brand-name insulin drug called Lantus has risen by 50 percent over three years, according to a California Healthline review of data provided by the California Public Employees’ Retirement System (CalPERS).

“CalPERS spent nearly \$4.7 million more on the injectable vials of insulin in 2014 than it did in 2012, even though the overall number of prescriptions declined. The pension system paid about \$564 per prescription in 2014. State retirees pay a small portion of those costs in copayments...

“Paying a few million dollars more for a single diabetes drug may not seem like a lot compared to the \$8 billion the pension system spends on health care each year. But CalPERS says the price of other medications it covers have also increased, and they add up.”

“CalPERS manages health benefits for 1.4 million members, care that’s paid for through a mix of taxpayer dollars and member premium contributions.”

Read More at: <http://californiahealthline.org/news/price-hike-for-one-diabetes-drug-costs-calpers-millions/>

The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway Rx](https://twitter.com/RunawayRx).