



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

EXECUTIVE DIRECTIVE

No. 2022-12

To: State Department Directors and Autonomous Agency Heads
From: Governor Gretchen Whitmer
Date: October 3, 2022
Re: Lowering the Cost of Insulin

According to the Center for Disease Control, more than 10 percent of Michiganders have diagnosed diabetes, and they shoulder more than double the medical expenses of those who do not have diabetes. Nearly 3,000 deaths a year in Michigan are attributed to diabetes. Insulin, the most prescribed treatment for diabetes, is a century-old, life-saving drug that hundreds of thousands of Michiganders need to survive. In the United States, insulin costs nearly 10 times as much as in other countries, and 1 in 3 diabetics routinely make impossible choices between purchasing insulin and fulfilling their other basic needs, like buying groceries or keeping the heat on.

The egregiously high cost of insulin is unsustainable. My administration is committed to making insulin available to those who need it at an affordable price.

We have already taken steps to lower health care costs for seniors and those receiving health insurance subsidies. Executive Directive 2022-9 ensures that Michiganders receive the full extent of the savings made possible by the Inflation Reduction Act (IRA). ED 2022-9 also instructed the Michigan Department of Health and Human Services to continue efforts to decrease the cost of prescription drugs for Michigan Medicaid recipients.

There is more work to be done. The IRA limits health care costs for seniors on Medicare by capping the out-of-pocket cost of insulin at \$35 a month and total prescription drug costs at \$2,000 a year. But many Michiganders who need life-saving insulin are not covered by the IRA, including the uninsured and those who face large out-of-pocket costs under their private insurance plans. While the House of Representatives has voted on legislation to extend cost caps, further federal action remains uncertain.

We cannot wait. We must take immediate action to make insulin affordable for Michiganders while creating jobs in the state. We cannot allow the opaque pricing practices of drug manufacturers and massive health care corporations to force people to ration or

forgo insulin just so they can keep a roof over their heads and food on the table. We must explore every option to lower costs for consumers.

Acting under sections 1 and 8 of Article 5 of the Michigan Constitution of 1963, I direct the following:

1. Departments and agencies covered by this section must review aspects of insulin purchasing, distribution, and production within their jurisdictions and identify and assess potential opportunities to lower costs for Michiganders who purchase insulin. Covered departments must provide a report to the Executive Office of the Governor detailing their conclusions about such opportunities no later than December 20, 2022.

The report must:

- (a) Provide the covered department's assessment of the following approaches to lower insulin costs:
 - (1) Development, in conjunction with a partner or partners, of novel low-cost interchangeable biosimilar insulin or other insulin product for distribution in Michigan;
 - (2) Production, purchase and/or distribution by the state or by the state in conjunction with other entities of low-cost interchangeable biosimilar or other insulin products; and
 - (3) Establishment of a Michigan-based insulin manufacturing facility by the state or by the state in conjunction with other entities, including any potential sites for such facility.
- (b) Supply information about any additional actions that the state could take that would, in the view of the covered department, feasibly lower insulin costs for consumers; and
- (c) To the extent possible, assess the state resources that would be required to undertake each action, the timeline of the action, and potential cost savings to the state or to individual consumers.

The covered departments are the Department of Health and Human Services, the Department of Insurance and Financial Services, the Department of Labor and Economic Opportunity, the Department of Licensing and Regulatory Affairs, the Department of Technology, Management, and Budget, and the Department of Treasury. The Michigan Economic Development Corporation should provide a report and participate in any further study.

2. Following receipt of the reports, the Executive Office of the Governor will convene all relevant departments and agencies to further assess actions that the state can take to lower the cost of insulin for Michiganders.

3. All departments, committees, commissioners, or officers of this state must give any necessary assistance required to implement this directive, so far as is compatible with their duties and consistent with this order and applicable law. Free access also must be given to any books, records, or documents in their custody relating to matters within the scope of inquiry, study, or review, consistent with applicable law.

This directive is effective immediately.

Thank you for your cooperation in its implementation.



Gretchen Whitmer
Governor