

Congress of the United States
Washington, DC 20515

January 12, 2018

David A. Ricks
Chief Executive Officer
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285

Dear Mr. Ricks:

As Co-Chairs of the Congressional Diabetes Caucus, we have been conducting an inquiry into insulin prices and cost burdens on patients over the past six months. Throughout our inquiry, we have heard that drug discount programs and other forms of assistance from pharmaceutical manufacturers can help lower the cost burden for patients who need insulin. These programs are designed to help reduce out-of-pocket costs for patients, a growing problem as cost-sharing continues to rise and benefit design makes certain insulins less accessible. We write today to learn more about these programs and how they help patients.

When patients cannot afford their medication, pharmaceutical or patient assistance programs (PAPs) are sometimes able to help. PAPs are run by charities, pharmaceutical companies, and state governments. In some cases, they provide prescription drugs to patients while in other cases they provide financial assistance. Many nongovernmental PAPs are set up as 501(c)(3) non-profit organizations, including public charities or private foundations. These programs exist in many forms, and limited information is available about their scope and design.

Pharmaceutical manufacturers also sometimes offer drug discount cards or coupons to help make their products more affordable. While assistance through PAPs is generally targeted at people with limited income, discount cards and coupons are often available to a broader range of consumers. These discounts typically help insured patients in plans with high deductibles or with co-payments or coinsurance on a particular drug product. Like PAPs, cards and coupons also exist in many forms.

For many patients, these programs are a lifeline that makes medicines more affordable. Some stakeholders have even suggested that we should take steps to make PAPs and other discount programs more accessible to patients. Other stakeholders, however, have criticized PAPs for enabling pharmaceutical companies to maintain high prices or steer patients toward more expensive drugs when cheaper alternatives are available. With these thoughts in mind, we ask you to respond to the following questions so we can learn more about these programs¹:

1. Please identify any private foundation or 501(c)(3) patient assistance programs (PAPs) set up by your company that provide free or reduced cost insulin products or assist with cost-sharing. For each PAP identified, please specify the following:
 - Whether your company makes cash or product donations;
 - Which of your insulin products patients can obtain or receive assistance on;
 - Any insulin products available to patients for free under such program;
 - Any insulin products available to patients at reduced cost-sharing under such program;

¹ If the company is unable to answer a particular question for a legal reason, please indicate that in your response.

- The type and size of discount available to patients on insulin products eligible for reduced cost-sharing under such program;
 - Detailed eligibility criteria for free insulin products or reduced cost-sharing on insulin products;
 - Information about the application and enrollment process—including:
 - Paperwork and applications patients and/or health care professionals must complete²;
 - Details about how eligibility determinations are made including who makes such determinations and any internal protocols or policies related to such determinations;
 - How patients are informed once eligibility determinations are made;
 - The duration of benefits under the program, including whether and how many times the patient can reenroll once the benefit expires;
 - Any financial or numerical limitations on benefits, including, but not limited to, caps on the dollar amount patients are eligible for under the program or limits on the number of times free or discounted product is available;
 - How patients can learn about the existence of the program;
 - The number of patients who received free and/or discounted insulin products under the program each year between 2012 and 2016; and
 - The total amount deducted from your company's tax liability for the program each year from 2012 to 2016 as listed on the Form 990.
2. Please identify any independent third party, non-governmental patient assistance programs (PAPs) that provide free insulin products or financial assistance for insulin products. For each PAP identified, please specify the following:
- The amount of cash donations that your company has made to the PAPs each year between 2012 and 2016; and
 - Whether the PAP has a fund that is specific to diabetes or insulin.
3. Between 2012 and 2016, has your company offered any discount coupons, cards, or point of sale discounts that apply to insulin products? Please identify and describe all such options available to patients during that time period. For each card or coupon, please specify the following:
- Which of your insulin products patients can receive discounts on;
 - The length of time the coupon, card or discount was available;
 - The type and size of discount available to patients;
 - The number of times the discount was used by patients while available;
 - Any eligibility criteria or limitations for coupon, card or discount use;
 - Any financial or numerical limitations on use, including, but not limited to, caps on the dollar amount available or limits on the number of times a coupon, card or discount can be used; and
 - The average total subsidy per patient under all insulin card and coupon programs.
4. Does your company participate in any other programs or efforts with other stakeholders across the supply chain to provide free or discounted insulin to patients? Please identify and describe such programs, including any arrangements you have to offer discounts with pharmacy benefit managers (PBMs), wholesalers, or distributors.

² Please include copies of any documents as a supplement to your answer submission.

5. Do you educate patients about the impact using these types of programs can have on their overall health care costs? If yes, please explain.
6. What barriers to patient participation exist in these programs? Do you have any recommendations about how to reduce these barriers?

We ask that you respond to these questions in writing before March 5, 2018. You can reach out to Logan Hoover (logan.hoover@mail.house.gov) with Congressman Reed and Polly Webster (polly.webster@mail.house.gov) with Congresswoman DeGette with any questions. We are grateful for your ongoing participation in this inquiry and look forward to your response.

Sincerely,



TOM REED
Member of Congress



DIANA DEGETTE
Member of Congress

Cc: Joseph B. Kelley, Vice President of Global Government Affairs, Eli Lilly