Value in Health Care

Ora Pescovitz, M.D.
Senior Vice President and U.S Medical Leader

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We Share Common Ground

• We’re dedicated to improving patients’ lives.
• We respect the physician-patient relationship and want to preserve physician discretion in treatment decisions.
• We also recognize that our U.S. health care system is imperfect.
  – It works for some, but not all.
The Pain of an Imperfect System

It is:

• Overly complex
• Fast-changing and often confusing
• Inaccessible and inefficient for many
• Not affordable for too many people.
Working Together for Patients

Working together for a system that …

• Speeds new cutting-edge medicines to patients
• Cuts out-of-pocket costs
• Increases marketplace competition.
Three Top Goals

- Protect Patients
- Pay for Value
- Promote Competition
• **Value-based contracts** – Lilly is partnering with several insurers on “value-based contracts.” This model ties the price of medicines to the value and outcomes they provide. This means that what payers ultimately pay for our medicines depends on how well they work for patients.

• **Discounted insulin program** – On Jan. 1, Lilly began offering a discount of up to 40 percent on insulin products for people who pay full retail price at the pharmacy. This program helps patients benefit from Lilly’s rebates at the ‘point of sale.’
Leading Change

• **Enhance transparency:** Details about Lilly’s list and net prices, and rebates and discounts, have been published in our 2016 Lilly Integrated Summary Report [https://www.lilly.com/2016-integrated-summary-report](https://www.lilly.com/2016-integrated-summary-report)

• **Help patients in need:** In 2016, our Lilly Cares Foundation Patient Assistance Program supported 111,000 patients.
Leading Change

• **Insulin product donations:** To further reach needy patients in the U.S. who have trouble accessing insulin, Lilly is starting a new program to donate one of our products through not-for-profit organizations to an established clinic network.

• **Cut out-of-pocket (OOP) expenses:** An immediate way to reduce patients OOP expenses is to exempt insulin from the deductible phase of health plans. For instance, Lilly exempts insulin from the deductible for our employees who use it.

➢ Employers can also follow Lilly’s lead by funding Health Savings Accounts for high-deductible plans. By doing so, Lilly has kept medical spending growth under 5% per year.
Persevering for Patients

• In summary, we must work together to lift the cost burden off patients and increase the value of all aspects of the health care system.

• We’ll continue to offer innovative treatments for patients as well as innovative approaches to care.

• At Lilly, making life better is part of our 140-year mission. We’re not giving up!