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ICYMI: Michael Hiltzik: Eli Lilly is slashing insulin prices, but hold your applause
In his column, Michael Hiltzik reveals how Lilly's price cut on Humalog doesn't cut it, as the insulin is still higher by two-thirds than it should be

April 18, 2023, Sacramento, Calif. — In a recent [Los Angeles Times column](#), Michael Hiltzik points out that, while it is a step in the right direction, Eli Lilly & Co's (Lilly) move to reduce the price of its insulin products to “help Americans who may have difficulty navigating a complex healthcare system that may keep them from getting affordable insulin,” isn't as altruistic as the Big Pharma company would have drug pricing advocates and policymakers believe.

Adjusting for inflation, the price rollback for its a vial of Humalog will drop from \$274.70 to \$66.40, but that price is “still higher by two-thirds than it should be” compared to its \$21 launch price in 1996, “which would be about \$40 in today's money.”

Furthermore, Lilly's \$35 price cap is in response to a provision in the Biden Administration's passage of the Inflation Reduction Act passed last August, which Hiltzik rightfully points out “only camouflage for consumers the true costs of their prescriptions — insurers still pay the drugmakers' high prices, which end up in higher premiums for everyone.”

About the announcement, Lilly's chairman and Chief Executive said that America's healthcare system “still does not provide affordable insulin for everyone, and that needs to change,” but in his column, Hiltzik shares the truth, which is that Lilly's price cuts will not solve the “fundamental dysfunction of America's drug-pricing system,” and that while “Lilly is going to bank a lot of goodwill for this,” they won't be taking “a big hit to their bottom line.”

Other highlights from [the LA Times column](#) include:

“Nearly 40 million Americans suffer from diabetes, a disease in which the body either can't produce insulin, the hormone needed to control blood sugar levels, or can't efficiently use insulin. Some 7 million of them require daily injections of insulin.

...of those....14% face “catastrophic” spending on insulin, defined as 40% of their income beyond what they spend on food and housing. Nearly half have reported rationing their insulin supply because of its cost.

...They're the victims of an enormous run-up in drugmakers' insulin prices over the last 30 to 40 years. These prices fall into two categories: The list prices, which in the U.S. can currently run to more than \$200 per vial, and the out-of-pocket price.

Insulin has become the “poster child for runaway incentives for higher list prices...”

...loopholes that insulin makers have exploited to preserve their marketing rights for a product for which the patents would normally have expired decades ago.

Coming back to Lilly's initiative, among the company's incentives to announce its insulin price cuts now are Medicaid rules kicking in next year that penalize drugmakers for raising prices faster than inflation. The new rules could result in as much as \$430 million in charges to Lilly..."

To read David Lazarus' full column on Big Pharma's insulin price gouging, [click here](#).

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