

Merck, Eli Lilly probed on drug pricing

November 6 2015

The Justice Department is probing some drug pricing practices of pharmaceutical giants Merck and Eli Lilly, the companies disclosed Friday in securities filings.

Merck said it had received a "civil investigative demand" from the US Attorney's office in the state of Pennsylvania for information on its contracting and pricing of the Dulera inhalation aerosol with pharmacy benefit managers and Medicare, the federal government [health insurance program](#) for the elderly and people with disabilities.

Lilly's request for information came from the same US attorney's office. Lilly learned of the inquiry in September.

Justice Department officials "are conducting an inquiry concerning our treatment of certain distribution service agreements with wholesalers when calculating and reporting Average Manufacturer Prices in connection with the Medicaid drug rebate program," Lilly said. Medicaid is the government health insurance program for low-income people.

Both companies said they were cooperating with the probes.

The inquiries come as drug companies such as Valeant Pharmaceuticals International face higher scrutiny over drug pricing following accusations of predatory pricing.

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Citation: Merck, Eli Lilly probed on drug pricing (2015, November 6) retrieved 3 May 2024 from <https://medicalxpress.com/news/2015-11-merck-eli-lilly-probed-drug.html>

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