

Lilly to sell cheaper version of top-selling insulin Humalog

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Eli Lilly is offering a half-price version of a top-selling insulin to ease the financial strain for some patients, but an advocacy group says much bigger changes are needed.

The drugmaker said Monday it will introduce a version of the diabetes treatment Humalog that will be called Insulin Lispro and come with an initial price 50 percent lower than Humalog's current rate of about \$275 per vial.

The company said it is working to make the insulin available as quickly as possible.

Insulin is a hormone made by the pancreas that helps the body use glucose for energy. When a patient's body doesn't make enough insulin, they have to take it by injection or through a pump.

The average insulin price nearly tripled from 2002 through 2013, according to the American Diabetes Association. Since then, prices have continued to rise, often by 10 percent or more a year, and some patients have resorted to rationing their insulin.

Lilly and other drugmakers have been targeted by protesters and taken heat over soaring prices for some of their products. They've become frequent targets of President Donald Trump, and drug company leaders have been called before Congress and grilled about their prices.

House Democrats also recently started investigating pricing practices of the three major insulin makers, a group that includes Lilly.

The drugmakers have said that developing their products is a risky and costly process, and their prices reflect that. Some also have noted that while initial list prices are rising, the net price their companies receive after giving rebates has been relatively stable.

List prices are initial figures drugmakers attach to a product and are typically knocked down by rebates negotiated with pharmacy benefit managers. But those initial prices can still hurt patients without coverage

or those who must first pay high deductibles before their coverage starts.

Lilly Chairman and CEO David Ricks said Monday in a blog post that the discounted insulin will be identical to Humalog, and it can address gaps in the current pricing system "until we have a more sustainable model."

He added in a separate statement that Lilly pays significant rebates from its list price, but those discounts do not directly benefit all patients.

Lilly's discounted insulin will sell for a list price of \$137.35 per vial or \$265.20 for a five pack of Kwik Pens. A company spokeswoman said the average person uses about two vials a month, and the pack of pens can last a month or more.

Ben Wakana, president of the advocacy group Patients for Affordable Drugs, said in an email that the lower prices were still too high, and Lilly's move will help "only a fraction" of the patients who need it.

"Clearly, the insulin cartel is feeling pressure after years of price gouging a lifesaving drug," he wrote.

Humalog brought in \$1.8 billion in U.S. sales and about \$3 billion globally last year for Indianapolis-based Eli Lilly and Co.

Credit Suisse analyst Vamil Divan said in a research note that Lilly's move "makes sense to lower out-of-pocket costs and also ease public pressure on manufacturers."

Shares of Lilly fell about 2 percent to \$126.18 Monday in midday trading while broader indexes were down slightly.

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