January 19, 2026

VIA ELECTRONIC SUBMISSION

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Oregon Prescription Drug Affordability Board
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RE: Oregon Prescription Drug Affordability Board (PDAB): January 21, 2026, Meeting Materials

Dear members of the Oregon Prescription Drug Affordability Board,

Eli Lilly and Company (Lilly) appreciates the opportunity to provide our perspective on the Oregon PDAB ("the Board") meeting materials for January 21, 2026, which includes a potential vote on affordability of our products Mounjaro®, Emgality®, Basaglar® Kwikpen® and Trulicity®.[1] Lilly is one of the country's leading innovation-driven, research-based pharmaceutical and biotechnology corporations. Our company is devoted to seeking answers for some of the world's most urgent medical needs through discovery and development of breakthrough medicines and technologies and through the health information we offer.

Lilly is Committed to Patient Affordability

Throughout our nearly 150-year history, Lilly has worked to address some of the most pressing health challenges facing humanity, including infections, diabetes, depression, cancer and obesity. Today, more than 58 million people are estimated to use Lilly medicines. We know that our commitment to patients and society goes beyond the medicines we make. We are committed to equitable and affordable access to our medicines so that our breakthroughs can transform more people's lives.

In addition to patient support programs discussed below, Lilly also donates medicines to charitable organizations such as the Lilly Cares Foundation, an Indiana nonprofit corporation separate from Lilly, established in 1997, that is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Lilly Cares provides Lilly medications for free to qualifying patients.[2] Patients in households with annual adjusted gross incomes of up to 400 percent of the federal poverty level are currently eligible for free insulin through Lilly Cares (currently $62,600 for an individual or $128,600 for a family of four).[3]

[1] Oregon Prescription Drug Affordability Board. "Agenda and meeting materials for September 17, 2025." https://dfr.oregon.gov/pdab/Documents/20250917-PDAB-document-package.pdf.
[2] Lilly Cares Foundation. Available Medications. https://www.lillycares.com/available-medications
[3] Lilly Cares Foundation. https://www.lillycares.com/how-to-apply#check-eligibility

Mounjaro®, Trulicity®, and Emgality® are Affordable in Oregon

The primary focus of any cost review by the Board should be on patients, and Mounjaro®, Trulicity® and Emgality® are broadly affordable for Oregon patients. The Board's data shows that median patient out-of-pocket costs ($44/per claim for Emgality®, $30/per claim for Mounjaro® and $10/per claim for Trulicity®) are affordable.[4] Any isolated affordability challenges that may occur with Emgality®, Trulicity® and Mounjaro® are most likely a function of restrictive plan benefit designs, such as high upfront deductibles or adverse tier placement.

Health plans design formularies which determine patients' out-of-pocket cost obligations. According to the Board's data, 61 percent of plans place Mounjaro® on a non-preferred tier whereas 34 percent of plans place Trulicity on a non-preferred tier. Nearly 82 percent of plans place Emgality® on a nonpreferred tier.[5,6] Non-preferred tiers require patients to pay more for their medicine than if it was on the preferred tier. Patients subject to plan designs with large deductibles or high cost-sharing tiers are more likely to struggle to afford their medicines.

In these circumstances, Lilly helps to reduce patient out-of-pocket costs for commercially insured patients, including those covered by health benefit plans making payments on behalf of a unit of state or local government. Lilly offers a variety of affordability solutions through patient support programs and copay assistance across the major products in our portfolio. For many of our migraine, diabetes and obesity medicines, we have copay assistance programs to bring eligible patients' monthly out-of-pocket costs to as little as $25 or lower. For example, patients that qualify for the Trulicity Savings Card pay as little as $25 per month for Trulicity®.[7] The Board should take these factors into account when considering the affordability of medicines.

Basaglar® Kwikpen® is Affordable in Oregon

For millions of people with diabetes, insulin is a life-saving medicine. Over the past several years, Lilly has implemented multiple insulin affordability solutions, including our Lilly Insulin Value Program to reduce patient out-of-pocket costs. As a result of our efforts, anyone[8]—whether they are uninsured or use commercial insurance—is eligible

[4] Oregon Prescription Drug Affordability Board. "Agenda and meeting materials for September 17, 2025." https://dfr.oregon.gov/pdab/Documents/20250917-PDAB-document-package.pdf, pgs. 71, 173. ;https://dfr.oregon.gov/pdab/Documents/Emgality.pdf at p.6
[5] Ibid. at pgs. 86, 189.
[6] https://dfr.oregon.gov/pdab/Documents/Emgality.pdf at p. 23
[7] *See, e.g.*, Eli Lilly and Company, Trulicity Savings Card, available here.
[8] Terms and conditions apply. At retail pharmacies. Government restrictions exclude people enrolled in federal government insurance programs from Lilly's $35 solutions. But federal law provides that Medicare Part D beneficiaries also pay no more than $35 per month for insulin.

to buy their monthly prescription of Lilly insulin for $35 or less, regardless of the number of pens or vials they are prescribed in a month.[9] In 2023, Lilly automated its $35 out-of-pocket monthly cap for people with commercial insurance at participating retail pharmacies, which were approximately 85 percent of pharmacies nationwide at launch.[10] In 2024, the average monthly out-of-pocket cost for Lilly insulins was $14.86—a 62 percent decrease since 2017.[11] Data included in the affordability review materials confirms Basaglar® Kwikpen® is affordable. Based on the All Payer All Claims reporting (APAC), which includes both public and private payers, the median patient out-of-pocket cost is $0, and the median out-of-pocket cost per claim is $0.[12] Basaglar® Kwikpen® also had the "lowest patient paid per claim" ($10/per claim) of all insulins the Board reviewed.[13]

The list price for Basaglar® Kwikpen® has remained the same since 2017, despite significant increases in the CPI-U.[14] Moreover, state health care system entities can already access Basaglar® Kwikpen® at deeply discounted prices. The Oregon Medicaid Program receives substantial rebates for insulin products such as Basaglar® Kwikpen® paid under the Medicaid Drug Rebate Program ("MDRP").[15] According to MACPAC analysis of fiscal year 2020 data, brand-name drugs averaged total rebates of 61.6 percent, consisting of a basic rebate averaging 38.3 percent and inflation-related rebates averaging 23.3 percent.[16] Furthermore, Lilly offers supplemental rebates to Oregon and other state Medicaid programs, guaranteeing an affordable net unit price for Oregon Medicaid beyond that which is required under the MDRP.

The Board's Drug Affordability Review Methodology Remains Flawed and Incomplete

Reiterating prior comments that Lilly submitted to the Board, we remain concerned about the methodology the Board employs to measure and define affordability.[17]

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[9] Lilly. Lilly Insulin Value Program. https://insulinaffordability.lilly.com/ (terms and conditions apply).
[10] Lilly, 2024 Sustainability Report 39 (2025), available here.
[11] *Id.* at 40
[12] Oregon Prescription Drug Affordability board. October 15 Meeting Materials. https://dfr.oregon.gov/pdab/Documents/20251015-PDAB-document-package.pdf p.59, Tables 24 and 25
[13] Oregon Prescription Drug Affordability board. Insulin Glargine. https://dfr.oregon.gov/pdab/Documents/insulin-glargine.pdf p. 16
[14] Oregon Prescription Drug Affordability board. October 15 Meeting Materials. https://dfr.oregon.gov/pdab/Documents/20251015-PDAB-document-package.pdf p. 4, Table 5.
[15] The Medicaid rebate formula ensures that state Medicaid programs, including the Oregon Medicaid Program, access the Medicaid Best Price, i.e., the lowest price available to most other purchasers.
[16] Medicaid and CHIP Payment and Access Commission (MACPAC). Trends in Medicaid Drug Spending and Rebates. October 2022. https://www.macpac.gov/publication/trends-in-medicaid-drug-spending-and-rebates/
[17] Eli Lilly and Company. "Re: Prescription Drug Affordability Review of Lilly Products." April 15, 2025 (pgs. 10-14). https://dfr.oregon.gov/pdab/Documents/Public-comments-drug-reviews.pdf.

It is unclear whether the primary focus of the Board's affordability review is on cost sharing for patients, specifically patient out-of-pocket costs, or for the health care system as a whole. The Board has not meaningfully defined what "affordability" means, and this shortcoming makes it impossible to identify true "affordability challenges" and an appropriate policy response.[18] Failure to meaningfully define key terms inhibits stakeholder input and needlessly amplifies the risk that the Board will ultimately apply its reviews in an arbitrary and inconsistent manner. We believe it is crucial to prioritize the out-of-pocket experience, which is the primary driver of whether Oregonians can access the medications they need.

In addition to the need for a consistent definition of affordability, it is critical the drug selection and review methodology which the Board uses is free from bias. We remain concerned that gaps in data collection and availability can lead to the biased selection of medicines subject to review by the Board. Furthermore, the use of total gross drug spending data by the Board in the selection process can result in the biased selection of medicines with high aggregate spending that treat large populations of individuals with chronic medical conditions. Gross drug spending does not reflect the underlying costs incurred by commercial and government payers. Both plan premiums and medical loss ratio (MLR) calculations are derived from net drug spending.[19] Cost analyses that omit or overlook this information by focusing on gross spending provide an insufficient basis for finding an affordability challenge. Furthermore, as stated above, high aggregate spending on a drug could be the simple outgrowth of it being highly effective at treating a widespread chronic condition. Such treatments cannot plausibly represent an affordability challenge unless the proportion of total spending attributable to a given drug is inappropriate for its utilization and value. Affordability determinations cannot be fairly ascertained without consideration of the estimated net spending impact per patient – inclusive of medical cost offsets attributable to the drug that ultimately accrue to state purchasers. Such a determination should rest on a more accurate and holistic picture of financial impact, rather than a short-sighted focus on gross spending in aggregate.

Better Solutions that Actually Address Patient Affordability are Available

Lilly is pleased to see that some of the policy recommendations adopted in the Board Report for 2025 would meaningfully address issues in the pharmaceutical payment system without inviting the unintended consequences inherent with price-setting schemes.[20] The Board should continue to explore reforms that address warped supply

[18] Oregon Prescription Drug Affordability board. "OAR 925-200-0020 conducting an affordability review." https://dfr.oregon.gov/pdab/Documents/OAR-925-200-0020.pdf.
[19] CMCS Informational Bulletin. Medical Loss Ratio (MLR) Requirements Related to Third-Party Vendors. May 15, 2019. Available here.
[20] https://dfr.oregon.gov/pdab/Documents/reports/PDAB-Annual-Report-2025.pdf p. 30

chain incentives that expose patients to higher cost sharing obligations. Addressing such issues would enable lower costs for patients at the point-of-sale and create the conditions for list and net price parity.

Lilly appreciates the opportunity to respond to the Board materials. We appreciate that the Board shares our commitment to prescription drug access and patient affordability. We are proud of the impact that our efforts have had on making prescription drugs more affordable for patients and believe Lilly medicines like those selected by the Board help make the lives of Oregon patients healthier and better.

Sincerely,

Rachel Dolan

Rachel Dolan
Senior Director
US Public Policy
Eli Lilly and Company