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Lilly CEO Calls for a Health Care Policy Environment That Promotes Medical Innovation

According to Lechleiter, Supportive Policies Have Potential to Kick Start the 'Biomedical Century'

NEW YORK, June 6, 2012 /PRNewswire/ -- Regardless of how the Supreme Court rules on the Affordable Care Act, Eli Lilly and Company (NYSE: LLY) will continue to advocate for reforms that enhance patient access to good health care and medicines, provide consumer choice through market-based competition, promote prevention and evidence-based disease management, foster future medical innovation, and maintain high standards of quality and safety, said John Lechleiter, Ph.D., Lilly's chairman, president and chief executive officer.

In a keynote address at the *Financial Times* U.S. Healthcare and Life Sciences Conference, Lechleiter emphasized the importance of a policy environment that spurs innovation, saying "What's required are health care policies, guided by a long-term perspective, that provide access to a continuing flow of innovative medicines to help meet the growing needs of people around the world."

Lechleiter noted that "Medicines account for only a fraction of health care spending — about 10 percent in the United States — but they can have a big impact on costs throughout the system." He reviewed dramatic improvements in human health and longevity, and reductions in health care costs, resulting from new medicines.

Lechleiter, who also is chairman of the Pharmaceutical Research and Manufacturers Association of America, noted that PhRMA member companies have some 3,200 medicines currently in development to address pressing health needs, such as cancer, diabetes, and Alzheimer's disease. Because of rapidly- advancing science, the industry's pipeline of potential new medicines is growing, with a 15 percent increase in company-reported projects in the clinic in just the past five years.

"Innovation requires long-term thinking, especially in an enterprise that typically requires more than a decade to bring a new medicine to patients," said Lechleiter. "We've stayed the course through challenging times in the past by following the science, and we need to maintain that same perspective today."

Lechleiter urged a similar long-term approach to health care policy and warned that short-term focus on costs and budgets could imperil long-term gains from innovation.

Emphasizing that achieving breakthroughs is neither easy nor guaranteed, Lechleiter explained that the cost of developing a new medicine has risen dramatically and that new drug approvals were significantly lower in the past decade than they were in the 1990s. Furthermore, the pharmaceutical industry is facing sharp declines in revenues from branded medicines that are losing patent protection, reducing companies' ability to invest in R&D.

Lechleiter said that we can realize the potential of scientific advances that offer the prospect of new therapies, but only if we maintain an environment where innovation can thrive.

"Without a supportive policy environment, one that reflects a long-term perspective on the role of medical innovation in health care, there is in fact no guarantee that the work of discovering and developing new medicines will go on at all."

Lechleiter said the pharmaceutical industry must continue to advocate for policies that sustain and encourage innovation, such as intellectual property protection, open access to health care markets and market-based pricing, and a regulatory system that keeps pace with 21st century science.

"The good news is, time and time again, medical innovation has reset the standard for what we can expect from the health care system and from human life," said Lechleiter. "Indeed, I believe we are only at the beginning of what will be known as the biomedical century."

About Eli Lilly and Company

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of pharmaceutical products by applying the latest research from its own worldwide laboratories and from collaborations with eminent scientific organizations. Headquartered in Indianapolis, Ind., Lilly provides answers — through medicines and information — for some of the world's most urgent

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