



## Lilly CEO: 'Are We Getting Our Money's Worth from Medical Innovation?'

### Lechleiter addresses Dallas Friday Group on the Value of Health Care

DALLAS, Oct 29, 2010 /PRNewswire via COMTEX News Network/ -- In a speech to the Dallas Friday Group today, John C. Lechleiter, Ph.D., chairman, president and CEO of Eli Lilly and Company (NYSE: LLY), said that the value of medical innovation - particularly innovative medicines - far outstrips its cost. Lechleiter marshaled data showing that medical innovation over the past century dramatically extended life spans, improved quality of life, and boosted productivity.

So far, the health care debate has revolved around access, quality, and cost--all of which need to be addressed, according to Lechleiter. "But, we'll never improve in any of these areas - in fact, we risk going backwards - without taking into account two fundamental game-changers: innovation and value."

By tackling diseases that had been impervious to medicine throughout human history, for example, medical innovation helped life expectancy rise by more than 30 years in the 20th century - an unprecedented 66 percent increase in life. Thanks to medical technology - including innovative medicines, since 1975, Americans' death from heart disease has declined by nearly 60 percent, and five-year survival rates for cancer have expanded from 50 percent to nearly 70 percent.

"More than one million additional Americans would die of heart disease or stroke each year if the death rates were what they were 30 years ago," Lechleiter said, "and over 100,000 more people would be dying from cancer every year."

Lechleiter cited two economists who calculated that increasing life spans alone was worth as much as half the national GDP between 1970 and 1998. Furthermore, medical innovation has also helped drive down the rates of functional disability, meaning people were living not just longer, but also better.

Lechleiter singled out innovative medicines as providing the greatest return on innovation. Along with offering tremendous health benefits, "There's compelling evidence that innovative medicines are often the most cost-effective part of health care," said Lechleiter. He pointed to the following:

- Over the last 40 years, the use of medicines has cut in half the number of hospital admissions for 12 major diseases.
- The power of new cardiovascular medications in the past 30 years to prevent or delay heart disease already has eliminated the need for tens of thousands of costly surgeries and hospitalizations.
- Other medicines have kept thousands of patients with mental illnesses from facing institutional confinement for months or years - often at taxpayer expense.

Lechleiter said Lilly's strategy was to further increase the value of the medicines it produces, moving from medicines that provide efficacy at the population level to those that provide improved outcomes for individual patients.

"With the help of new tools and advances in life science, we're working to tailor medicines to individual patients' needs, providing them the right drug at the right dose at the right time," said Lechleiter. He discussed how tailored therapies will provide better value for both patients and payers.

In addition to the value generated by innovative medicines, Lechleiter pointed to the economic value of life sciences research on the broader U.S. economy. The biosciences industry today employs some 1.3 million Americans and supports a total of 7 1/2 million jobs across the U.S. economy.

While the U.S. is the undisputed leader in medical advances, this leadership is also increasingly at risk. Lechleiter said that while there is a clear role for enterprising businesses in sustaining innovation, it is critical that public policy help preserve the environment in which innovation is possible. That requires the ability to offer innovative products at market prices; strong protection of intellectual property; a fair, rigorous, and transparent system of regulation; and a tax structure that provides companies the ability and incentives to invest in the first place. He also stressed the need for a broad improvement in science and math instruction in our grade schools and high schools and immigration laws that allow and encourage top scientists from other countries to choose to work and to remain in the United States.

"With the help of medical innovation, not only have we purchased additional decades of life and health, but the economic payback from these gains is also difficult to overstate," said Lechleiter. "The payback is years of productive work, economic

value added, consumer spending, and tax dollars paid - which together outweigh the costs of treatment overwhelmingly, even if you resist putting a number on the intrinsic value of being alive and well."

"By nurturing medical innovation, we will continue the amazing progress that transformed human life in the 20th century and create value that stands above all other: the value of greater health, productivity, and life itself."

### **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 medical needs. Additional information about Lilly is available at [www.lilly.com](http://www.lilly.com). C-LLY

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