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Eli Lilly and Company

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Update to Eli Lilly and Company Contract Pharmacy Policy

Eli Lilly and Company (Lilly) is issuing this notice to announce a prospective expansion of Lilly's 340B Distribution Program (labeler codes 00002, 00077, and 66733), which has been in effect since September 1, 2020.

Lilly supports participation in the 340B program and has from its inception. At the same time, Lilly is committed to compliance with the 340B statute, responsible distribution of its products, and the transparency and accountability needed to safeguard the program from fraud, abuse, and diversion. Lilly hopes to work with all stakeholders to craft solutions that balance these important considerations, because—as one federal judge recently observed—the 340B program in its current state “can no longer be held together and implemented fairly for all concerned.”

In the meantime, and pending finality of the ongoing litigation over contract pharmacy arrangements, Lilly has elected to expand its 340B Distribution Program. Since September 2020, Lilly has limited distribution of all 340B ceiling-priced product directly to covered entities and their child sites only, plus their wholly owned and affiliated contract pharmacies, with the exception of (1) covered entities that lack an in-house retail pharmacy (who may designate a single contract pharmacy); and (2) certain insulins, if the covered entity agrees to pass on the 340B discounted price to 340B eligible patients at the point of sale.¹

Going forward, and in addition to these existing criteria for delivering 340B medicines to contract pharmacies, Lilly will also permit covered entities to purchase and distribute 340B medicines through an unlimited number of contract pharmacies, where the covered entity agrees to provide, and does provide on an ongoing basis, claims-level data associated with such contract pharmacy orders. Lilly will be utilizing the 340B ESP™ Second Sight Solutions platform for this purpose, and Lilly will voluntarily honor contract pharmacy purchases for prescriptions dispensed to eligible 340B patients on or after October 29, 2021.² 340B ESP™ will collect minimal, de-identified claims data sufficient to allow Lilly to monitor diversion and duplicate discounts and promote program integrity. Lilly will provide additional details in a forthcoming communication, and any covered entity that wishes to dispense 340B-discounted medicines through more than one contract pharmacy arrangement should contact Second Sight Solutions at www.340BESP.com.

Lilly will continue to offer all covered entities its 340B medicines at or below the 340B ceiling price, consistent with the 340B statute. Lilly will also continue to work with all stakeholders to improve program integrity and ensure that the 340B program can be properly and fairly administered going forward.

If you have any questions regarding this notice, please contact Lilly at 340B@lilly.com.

¹ As set forth in Lilly's August 19, 2020 Notice, Lilly's 340B insulin policy also requires that (i) neither the covered entity nor the contract pharmacy marks-up or otherwise charges a dispensing fee for the Lilly insulin; (ii) no insurer or payer is billed for the Lilly insulin dispensed; and (iii) the covered entity provides claim-level detail demonstrating satisfaction of these terms and conditions.

² Lilly will voluntarily honor claims retroactive to October 29, 2021, provided they are submitted through Second Sight Solutions no later than March 15, 2022.