



ZACH KLEIN COLUMBUS CITY ATTORNEY

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Contact: Pete Shipley, 614.965.0203
Email: pishipley@columbus.gov

City Attorney Klein Hires Counsel to Explore Legal Options to go after Drug Companies and Pharmacy Middlemen that Artificially Inflated Insulin Prices

Says that anticompetitive pricing scheme cost City, taxpayers \$26 million in the past three and a half years alone

COLUMBUS, OH—Columbus City Attorney Zach Klein today announced a contract between his office and special counsel, Napoli Shkolnik PLLC and Ventura Law, to explore legal options to hold accountable drug companies and pharmacy benefit managers (PBM) who artificially raised prices on insulin products for decades, costing taxpayers millions of dollars. Several states and counties have already taken these companies to court to recoup taxpayer dollars. Columbus City Council approved the special counsel contract at their July 1 meeting. Under the terms of the contract, there is no cost to the City.

“For decades, big drug companies and pharmacy pricing middlemen conspired to artificially inflate the price of insulin in order to rake in billions of dollars in profits, all at the expense of taxpayers and those who need insulin to survive,” said Columbus City Attorney Zach Klein. **“This unethical pricing scheme has cost Columbus taxpayers millions of dollars in exorbitant fees, and we’re taking proactive steps to explore every legal option we have to hold these corporations accountable.”**

Since at least 2003, drug manufacturers Eli Lilly, Novo Nordisk, and Sanofi-Aventis, as well as several PBMs, allegedly engaged in anticompetitive activities to artificially drive up the price of insulin and pass the costs onto millions of American consumers. The drug companies were also allegedly making undisclosed kickbacks to PBMs to look the other way on this pricing scheme. The three drug companies in question produce over 90 percent of the global insulin supply.

A recent analysis found that from February 2020 to November 2023, the City of Columbus spent almost \$26 million on diabetes medications and supplies as part of the healthcare plans for the city’s 9,000 employees.

At the conclusion of the exploratory period with the newly contracted special counsel, Columbus could join attorneys general in Arkansas, California, Kansas, Kentucky, Minnesota and

Mississippi, as well as the City of Cleveland and other cities and counties across the country in suing the three major insulin producers, as well as several PBMs who manage prescription drug programs tied to the pricing and kickback scheme.

A 2021 study comparing insulin prices of dozens of countries found prices in the U.S. were 10 times higher than in virtually every other country. Recently, President Joe Biden's Inflation Reduction Act capped insulin costs at \$35 per month for seniors on Medicare. President Biden continues to call on Congress to cap insulin prices at \$35 per month for all Americans.