



Harvard Pilgrim Signs Value-Based Contract with Eli Lilly for Trulicity

Agreement based on true patient outcomes

(Wellesley, MA) Harvard Pilgrim Health Care announced that it has signed a value-based contract with Eli Lilly for its type 2 diabetes drug, Trulicity. The arrangement gives Trulicity preferred status on Harvard Pilgrim's formulary and means that Harvard Pilgrim will pay a lower net cost to Eli Lilly if fewer of its members reach a preferred endpoint (HbA1c less than 8%) as compared to individuals taking other GLP-1 receptor agonists, and a higher net cost if patients taking Trulicity do better than patients taking competing drugs.

Trulicity is part of a class of drugs known as GLP-1 receptor agonists that helps the pancreas release insulin when blood sugar is high and limits how much sugar enters the blood from the liver. Trulicity also slows the emptying rate of food from the stomach which also helps to control blood sugar. It is self-administered once weekly by injection pen.

"Harvard Pilgrim is excited about its ability to show leadership in creating innovative contracts that pay not for pills but for patient outcomes," said Harvard Pilgrim's Chief Medical Officer Michael Sherman. "What is particularly attractive about this agreement is that the outcomes compare Lilly's drug to competitor offerings versus arbitrary endpoints. We believe that working with pharmaceutical companies that are willing to engage in these kinds of innovative, outcomes-based contracts will bring value to the members we serve."

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About Harvard Pilgrim Health Care

Harvard Pilgrim is a not-for-profit health services company that, along with its subsidiaries, is improving the well-being of its 2.7 million customers. Harvard Pilgrim's flagship health plans in New England provide health coverage to 1.3 million members, while another 1.4 million individuals are served through Health Plans, Inc., a subsidiary that provides integrated care management, health coaching and plan administration solutions to self-funded employers nationwide. Founded in 1969, Harvard Pilgrim has built its reputation on innovation and collaboration with a goal of lowering health care costs, improving care and enhancing the overall member experience. It is known for its excellent clinical programs, customer service, health improvement strategies and innovative tools that offer consumers greater transparency and empower them to make better decisions about their health care. Harvard Pilgrim is home to the Harvard Pilgrim Health Care Institute, a unique collaboration with Harvard Medical School. As Harvard Medical School's Department of Population Medicine, the Institute is the only appointing department of a U.S. medical school housed within a health plan. Funded primarily through external government and private sources, it provides critical information to all levels of our health care system on issues affecting population health and health care delivery. Harvard Pilgrim is

consistently among America's highest-rated health plans according to an annual ranking of the nation's best health plans by the National Committee for Quality Assurance (NCQA)*.

*Harvard Pilgrim Health Care is currently rated 5 out of 5 for its private HMO/POS and PPO plans and Harvard Pilgrim Health Care of New England is currently rated 4.5 out of 5 for its private HMO/POS plans in NCQA's Private Health Insurance Plan Ratings 2015-16. NCQA's Private Health Insurance Plan Rankings, 2011-15, HMO/POS/PPO.