

# Lake County, Illinois Files Insulin Pricing Scheme Lawsuit

*Defendants Eli Lilly, Novo Nordisk, Sanofi, Express Scripts, and OptumRx are accused of violating the state's Consumer Fraud Act and the RICO Act.*

PENSACOLA, FL, UNITED STATES, May 12, 2023 /EINPresswire.com/ -- [Levin Papantonio Rafferty](#) (LPR) law firm announces it has filed a lawsuit on behalf of Lake County, Illinois, alleging that drug manufacturers and pharmacy benefit manufacturers (PBMs) engaged in an "unfair and deceptive conspiracy" to orchestrate an insulin pricing scheme. The scheme created a "best of both worlds scenario" for its creators while inflating insulin prices in the throes of a diabetes epidemic.



In Illinois, 10% of the adult population suffers from diabetes, costing nearly \$9 billion per year in medical expenses. In Lake County, Illinois, 11% of adults have the disease. Many of these people whose lives depend on insulin struggle to afford it.

The Complaint ([Case No. 1:23-cv-2402](#)) was filed in the U.S. District Court Northern District of Illinois Eastern Division. The County has demanded a jury trial.

Lake County alleges that Defendants violated the Illinois Consumer Fraud Act and the Racketeer Influenced and Corrupt Organizations (RICO) Act, among other claims. The County moved for injunctive relief against the Defendants to prevent future such violations. The County also seeks restitution, damages, disgorgement, and penalties, as well as punitive damages because "Defendants knowingly, willfully, wantonly, and intentionally harmed the health, well-being, and financial interests of Plaintiff Lake County and its Beneficiaries," the Complaint states.

## How the Insulin Pricing Scheme Works

According to the Complaint, Lake County operated two health plans for employees, their dependents, and retirees. Through the plans' pharmacy benefits, the County shouldered a substantial share of beneficiaries' prescription drugs, including diabetes medications. In this role, Lake County functioned as a payor and PBM client. Defendants' roles were as



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*BRANDON BOGLE, ATTORNEY  
AND SHAREHOLDER, LEVIN  
PAPANTONIO RAFFERTY*

follows.

PBMs managed Lake County's prescription benefits. In this capacity, the PBMs' role is to negotiate prices with drug manufacturers and manage the County's drug spending.

PBMs maintain a list of covered medications, called a formulary. In theory, these companies' power to either include or exclude drugs in their formularies should motivate drug manufacturers to keep list prices low. PBMs also contract with pharmacies to dispense plan beneficiaries' purchased medications. A portion of the supposed shared savings on insulin and other medication

costs goes to the PBMs as compensation.

Drug manufacturers produce insulin and set the list price for the medication.

According to the Complaint, the drug manufacturers artificially inflate their list prices and pay a significant portion of the inflated price to the PBMs in the form of rebates, discounts, credits, and various "fees" in order to earn and maintain a position on PBMs' formularies.

The Complaint alleges that using the Insulin Pricing Scheme, the manufacturer Defendants grow their revenues through access to formularies, which enable the manufacturers to sell more drugs without cutting into profits. PBMs pocket undisclosed payments from the manufacturers to place them on the formularies, and they receive unwarranted profits from pharmacies, as well as elevated margins and pharmacy-related fees.

This unfair and deceptive scheme results in false list prices for insulin--a life-sustaining drug--that payors like Lake County ultimately paid and continue to pay.

"The mystery of how this country's exorbitant insulin prices persist in a climate of cheaper production and minimal R&D can be explained in a single word: greed," said LPR Attorney and shareholder [Brandon Bogle](#).

About Brandon Bogle

Brandon L. Bogle is an attorney and shareholder at Levin Papantonio and has focused the majority of his practice on mass tort litigation. Bogle has been actively involved in the litigation of multiple mass tort projects including, but not limited to, those involving the pharmaceutical products Trasyolol, Fosamax, Yaz, Testosterone Replacement Therapy, and Opioids. In doing so, he has successfully represented thousands of plaintiffs in various products liability cases. He has also served as appellate counsel in multiple pharmaceutical cases and has conducted oral argument in the United States Court of Appeals for the Third and Ninth Circuit.

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