

REPRESENTATIVE JOE ARMSTRONG (TN): Good morning. My name is Joe Armstrong and I am the President of the National Black Caucus of State Legislators from the great State of Tennessee. And the National Black Caucus of State Legislators represents over 600 African-American state representatives from across the country from 45 states, the District of Columbia, and the Virgin Island. We have convened today to learn about policies that affect our constituency, and today we're just taking information back so that we can better serve, so we can make the right choices, and utilize the best practices when it comes to voting and crafting laws. It is my pleasure to welcome you to our 20th Annual Conference Black America's dialogue on Health, "Breaking Through Depression, What Causes It, What It Looks Like, and What to Do About It." You know, we've been hosting this dialogue now for 20 years with the financial support of a great company, Eli Lilly and Company. And, we thank them for their steadfast leadership and their continued partnership, okay?

AUDIENCE MEMBER: Yeah.

REPRESENTATIVE JOE ARMSTRONG: All right. You know, this symposium provides a forum for policy conversations on various aspects of -- as our chaplain said on "African-American health." And this event is being streamed live on the Internet, so we have hundreds of participants that are online and we've been doing this since 2009. And since its inception over 20 years ago, we've had legislators from every state in the union from Iowa to Florida, from California to New York. And before we get into the discussions today, I want to recognize some of my colleagues that are here with us. First, I'd like to recognize our President-Elect from Maryland, Senator Catherine Pugh.

AUDIENCE MEMBER: Yeah.

REPRESENTATIVE JOE ARMSTRONG: Our Financial Secretary from the great State of Alabama, Ms. Laura Hall. Okay. Our Treasurer from the great State of Georgia, Howard Mosby. The one that keeps us in line to make sure that we do things according to Robert's Rules of Order, our Parliamentarian, Senator Hillman Frazier from Mississippi. Last night, somebody said "south Tennessee" but -- we also have with us one of our charter members and past presidents from the great State of Georgia, former President Calvin Smyre.

AUDIENCE MEMBER: Yeah.

REPRESENTATIVE JOE ARMSTRONG: Okay. Also, last but not least, the man I think that everybody in Indiana knows and certainly he is probably the best Vice President that I know of in the nation of any organization and that's GP, Greg Porter from the great State of Indiana.

AUDIENCE MEMBER: Yeah.

REPRESENTATIVE JOE ARMSTRONG: And I particularly wanted to point Greg out because he has been working with our staff, our national staff in putting this together. So, he has put that extra effort into making sure that this symposium and conference goes smoothly. Also, I want to recognize our moderator

of the day, and she is the Chair of the Health and Human Services Committee from the great State of Oklahoma, Senator Connie Johnson. Alright. And thank you as well, Connie. You know, even though a lot of people look at Indiana as being a Mid-western state and particularly by East coast standards but, you know, there's one thing about Indiana, a lot of folk came up from the South, and Indiana has been able to maintain that Southern hospitality and, you know, we'll say in one generation I don't -- getting the right recipe but, you know, when you hand down those recipes, you might lose a little pinch of this or that, but certainly they hadn't lost any when it comes to hospitality. And the Indiana Black Caucus has just been a wonderful host for us and I wanna bring forth the Chair of the Indiana Legislative Black Caucus, Senator Lonnie Randolph. And if you please come up, Senator, and just give us a few remarks.

SENATOR LONNIE M. RANDOLPH (IN): Good morning.

AUDIENCE: Good morning.

SENATOR LONNIE M. RANDOLPH: Thank you, Mr. President. It is indeed an honor and a pleasure to be here this morning to endeavor on another venture in terms of pursuing the issues concerning health particularly as it affects African Americans, and I'm pleased to be here. But before I get started, one thing I was derelict in last night at dinner was not introducing the members of our caucus who were present last night. You've already met one, Mr. Greg Porter, who's sitting there next to-- the father of Charlie Brown. That's what stated earlier but I -- but in addition to Mr. State Representative Greg Porter, I'd like to introduce you to Mr. Charlie Brown who's the son and Charlie, would you please stand so everybody can recognize who you are?

CHARLIE BROWN: Alright.

AUDIENCE MEMBER: Yeah.

SENATOR LONNIE M. RANDOLPH: I also want to introduce State Representative John Bartlett who's sitting in the back. He holds up the rear for us, keeps everybody in order. I also would like to introduce our past Chairperson, Ms. Vanessa Summers. And I also would like to introduce over there the person in the gold, that gold outfit, Ms. State Representative Cherrish Pryor. And one of our -- one of our advisers who's been with us for years who, kind of stays on us about different things, State Representative Earl Harris right next to her. And to my far left, one of our bright shining stars over there who -- very sophisticated looking and talking and walking -- who put together a symposium that we just had in Lake County here in Indiana at our University, Ms. State Representative Robin Shackelford. And I purposely saved for last an individual who has been with us for years, who has been at various times our Caucus Chair, leader, who had been advisor, kind of everything to us who just retired recently...none other than the incomparable William Crawford. Bill? Again, I think that's everyone that's here right now, but who did I miss? I think I got everybody. But anyway, welcome to Indiana. We look forward to a very vigorous discussion concerning healthcare that affects African-Americans and we're hoping that maybe when we

leave here today, we'll come up with some positive solutions that in the end that's gonna be a beneficial to not just us but anybody dealing with issues concerning health and particularly mental health. Thank you.

REPRESENTATIVE JOE ARMSTRONG: Thank you, Mr. Chair. And last night in our dialogue, we were talking about our annual convention, and I mentioned the fact that on Friday we're having a special reception for all the chairs of the Black Caucuses across the country and your chair assured me that he will be there in attendance at that reception in Memphis, on December the 14th and thank you for your -- for your service. Certainly, you mentioned a dean. We could consider him the dean of Indiana Caucus but with us, he has a much broader reputation as being one of the charter members and now an alumnus of our organization, which is a distinguished group when you look at the alumni of the National Black Caucus State Representatives, you look at the top and there's someone that resides on Pennsylvania Avenue that's a former member of ours. And then when you look at the number of members in congress, there are former members of ours, of the 40 some-odd congressional Black Caucus Members, I think the number is at 30, 35?

AUDIENCE MEMBER: Two five.

REPRESENTATIVE JOE ARMSTRONG: Two five? Okay. The number that are in the CBC. And all across the country, you look and you see our members going on to serve as mayors. When we look at Kasim Reed in Atlanta, A.C. Wharton in Memphis, you look all over. And then you look at people that are in appointed positions. When you look at HHS, you have Anton Gunn, a former legislator. I can just go down the line of people that have come from this organization that have learned through this organization. And certainly, when we talk about the 37-year history, you can't talk about NBCSL without talking about Bill Crawford of Indiana and we stand in his shoulders, he and the -- Calvin Smyre, the charter members of this organization. And at this time, currently, Bill has gone onto county government now. As I understand it, he's the Deputy Treasurer for the Marion County here in Indiana. And so I'm gonna ask the Honorable Bill Crawford to come up and give us a word.

THE HONORABLE WILLIAM BILL CRAWFORD (IN): Thank you, President Armstrong. To President-elect Catherine Pugh, to the officers of NBCSL, and to our Brother Calvin Smyre who has been as dedicated to this organization as anybody ever. To Nate Miles and the representative from Eli Lilly, it is indeed a pleasure for me to be here with you. Having served in the Indiana House of Representatives for 40 years, I've felt that it was time for me to retire. As Moses who was given the opportunity to wonder in the world and that's for 40 years, and didn't get to see the Promised Land.

AUDIENCE MEMBER: Yeah.

THE HONORABLE WILLIAM BILL CRAWFORD: Having wandered in the public policy wilderness for 40 years, I decided that in 2012 I would not run again and maybe be afforded an opportunity to see the Promised Land. The Promised Land that NBCSL so artfully and accurately emulates. The framers of the constitution, which we were not a part of, said that "we the people of this United States in order to form a

more perfect union," and they characterized that more perfect union by saying that that provided to us life, liberty, and the pursuit of happiness. And it's been our challenge in this representative of democracy to try to make that -- those words have meaning. And so NBCSL was formed. I was privileged to have been at the first in Nashville, Tennessee in 1977 to be able to vote for, to date up to -- to date all the presidents of NBCSL and there were many. I simply want to say to you that -- thank you for your work. Having shared your seat and it was at the NBCSL event in San Diego, California in conjunction with the Indiana -- with the National Hispanic Caucus of State Legislators where a gentleman stood up and said, "If you ain't at the table, you're on the menu." If you ain't at the table, you're on the menu. And it's been something that I adopted and I say it frequently and often, as my colleagues from Indiana will share with you. We must be at the decision-making table and you have been given the privilege of being there. I no longer sit at that table, but my representative, Robin Shackelford, sits at that table. And in this representative democracy, she's not there to represent herself. She's there to represent the ideas of the people that vote for her, as each and every one of you are. And so, we stand on the crust of a major phenomenon in our nation, the ability to make healthcare a constitutional guarantee. We -- as Nate Miles said last night-- we come to these conferences, we have takeaways and as I look back historically, public policy in Indiana, there are many takeaways that came from NBCSL conferences that I attended and came back and has been translated into Institutional Indiana public policy for the legitimate state policy objectives. Health is the most essential quality of life issue. Health is the most essential quality of life issue. You can make it through life with challenges mentally and physically, but it's more difficult, but you can succeed. We need to have a healthy community and as you come and educate yourself and take these ideas back home and educate and get your constituents engaged in helping to evolve public policy in this nation, we will one day achieve that more perfect union. I might not be here to see it, but someday we will achieve that more perfect union. It's been said that some -- one generation plants trees, the next generation enjoys the shade. What we need to understand is we need to have our pipeline. Our children to come after us not only enjoying the shade but planting the trees for the next generation. So thank you, NBCSL.

REPRESENTATIVE JOE ARMSTRONG: I was getting ready to ask him to take a text to that. Thank you there, Brother Crawford, certainly. Next, I want to thank, as I said, Representative Crawford for those words. Thank you for your outstanding service to our organization, as he continues to provide service to our organization. And as I stated before, NBCSL has held the Black America's Dialogue on Health for the past 20 years, but it could not have been done without the support of Eli Lilly and Company, but even more specifically, without the efforts of Mr. Nate Miles. And everyone in NBCSL knows Nate Miles and not only because he cares, there's slogan that goes out and it says, "I don't care how much you know 'til I know how much you care." And we know that Nate doesn't just talk the talk, he actually walks the walk. And he is a great orator, as a number of you can contend. But because of his commitment to this organization, he understands the mission, and when it comes to new members in the corporate round table, they look to Nate Miles provide leadership not only on the legislative level but on the corporate level

and he lives what he speaks about. And I wanted to say to Nate, thank you for the dedication and commitment and the building, just like the founders, the charter members of this organization, you have been a very strong advocate and a part of making NBCSL what it is today. And I'd like to thank you. And also, at this time, I want to bring you up to give us a few words, the Vice President for Strategic Initiatives at Eli Lilly and Company, Mr. Nate Miles. Let's welcome him.

MR. NATE MILES: Thank you. Stop it, stop it, stop it, stop it. Quit it. Would you stop? Would you stop? Quit that. Momma, you've got to stop that. I told you don't be doing that anymore. First, giving honor to God who is the head of my life. I just want to say to President Armstrong, Vice President Pugh, and to the members, it is a pleasure, honor, and a privilege to be able to come back once again to discuss some of the issues that are going on with the healthcare of Black America because I think it resembles the healthcare that's going on across of America right now. But as it goes into the African-American community, as we all know, most of the time it hits us even harder. Twenty years of friendship, twenty years of being together. Today, in this conference, we'll be talking a lot about depression and mental health issues. As you know we've talked about a lot of issues, but more importantly and most importantly as I said time and time again, I could join and be involved in any organization I want to. The reason NBCSL is so different is because we never ever, ever, ever leave here without a plan. And what is going on across the nation, what is recognized in corporate America, the private sector, everybody has got to have a plan. The chaos that exists, the clutter for the airwaves, the messaging that is going on, if you don't have a plan that you can stick to, you're not going to get anywhere. And so many times we have come to this conference at NBCSL and left here with a plan that's amounted to model legislation. We have model legislation in Congress that those people have taken some of our legislation. Charlie -- or President Armstrong mentioned earlier how we have congressional members. Well, it is no secret that some of the legislation NBCSL put forward is now being introduced at the federal level. And I would be remiss if I were to tell you that that did not emulate from a person who is here with us. And that is Joe Kelley. When I first started at Lilly 20 years ago, there was a guy who once he took over, said things like "there's got to be handoffs." Let's start early with these people because one day they're going to wind up in positions down the road, but if we have some thoughts, if we have some ideas, if there are some public policy ideas that makes sense, that they bring into the public discourse, why should they stop just at a state level, or at the county level, or the school board level? We look at people at Lilly and we support people because it's a good policy all through. Good healthy kids are just as important as good healthy adults. And now as people are seeing what Joe Kelley told us 20 years ago, "You start down here in this end and it all follows through to the end." Those were the kinds of things that, you know, made sense. Then it was "Who do you have in here?" And for some of the veterans in the room, you know, we would invite 300 people to this conference. "Let's have 300 people." In addition to Joe cutting my budget --no, but I ain't saying anything about that. In -- no, no, no, I'm just playing. But in addition to realizing what we were doing, one of the other things Joe said that made sense is, "Who do we have in the room?" "Do we have the right people in the room?" And that's when we started going to --as LaKimba and the others will

recall –we can invite more people to this conference, but we wanted thought leaders, we wanted decision makers, we wanted health committee chairs, leadership. It's great to have the head of the transportation commission in the room but -- and it looks good and you can fill the room. But if they're not writing healthcare budgets, if they're not appropriating healthcare dollars, and in the end deciding the healthcare agenda that's going to move to the legislative and to the state capitols, we didn't help the constituents that we need. So, let's make room for those who can make some decisions. And so I am so pleased, proud, and privileged to see these type of leaders, from the leadership to the healthcare chairmanships, to the ways and means chairmanships of people in this room because I know it's working. And Joe, I want to thank you because that was a strategy that you gave us and said to do that. And we took that strategy and it has worked because as you said, Kasim as President -- as the Mayor of Atlanta. Georgia is a very important state, especially as it relates to health -- to Medicaid and some of the decisions that are -- that they are making there. And so as it -- as part of doing what we were doing, I'm so glad that we had a plan. We worked the plan and it came through. So, because so many people are counting on us, as it was said, the last -- as Senator Dee said, "the last, the least, the left out," those are the people who are counting on us, so we can't get it wrong. A lot of wrong for many other constituents that we are working with and for, things have gone wrong. NBCSL, as I'll tell anybody, is the last best chance some people have of making it in life. It's the last best chance. If you guys wouldn't have stood up for some of the issues that you stood up for, the prison industrial complex -- I mean I remember when you did the little deal and I'll get out of here. They had mothers and grandmothers paying \$75 and \$80 a day to talk to their kid in jail because nobody regulated the cost of the phone calls that they were making. So, you had kids with mental illness in jail who got really mad at their family because they said "Nobody will accept my collect call. I feel so alone. I want to kill myself. I want to hurt them when I get out." Those anger management issues never went away but it wasn't because big momma didn't want to talk to him but at \$75 a day because it was unregulated. Now, you can't do that anymore. That started here. That started here. And now there's a cap on what you can charge somebody to talk to their momma when they're alone in jail. Rightly or wrongly, some of these kids didn't even do anything. Some of these people didn't even do anything. And couldn't talk to their lawyers, couldn't talk to their friends but that happened here. So while we're doing America's Dialogue on Health, just the help of big momma, the mental health of big momma knowing that she can talk to her grandbaby and find out how she can help him on the outside, the mental health of that person who was in there that might not have even done what they were accused of doing and we know how often that happens. That was changed here. That was changed. And if you want, I could go on and on but I won't. I'll just say thank you on behalf of those people. And on behalf of those people, I want to introduce one of the architects that made that possible, the Vice-President of Public Policy, Government Affairs, and all things good in Washington D.C., my friend and yours, the man, the myth, the legend, Joe Kelley.

MR. JOSEPH KELLEY: God, I hate following Nate. My whole life it seems I'm following Nate. But first, let me say -- I want to echo Joe's remarks. Nate and I have worked together for 20 years and I always love being around Nate because there's a sense of energy and passion no matter where, no matter when I call him. Sometimes, I call him to leave a message on his phone. And I know it will be -- he's in Hawaii for example working over there and it will be 4:00 in the morning. And I'm expecting, "Hi, this is Nate." And it's "Hey, it's Nate." And he's answering the phone. I'm going "It's 4:00 in the morning. What are you doing?" He says, "Well, I'm up. I'm up. I'm working." But no, in all seriousness, I -- from Lilly's perspective, I don't think this conference could ever be what it's become without Nate. So, thank you very much for everything that you do. President Armstrong, Vice President Pugh, NBCSL members, I want to thank you for the opportunity to be here today. We've said several times that this is the 20th anniversary of all of us coming together to talk about important public policy issues. And believe it or not, both Nate and I will celebrate our 20th anniversary with Lilly next year. I was commenting this morning that his hair is black and my hair is a lot grayer, and Charlie and those of us who go back a long way, we looked a lot different 20 years ago. But nonetheless, it's been -- it's been a great 20 years, and Eli Lilly and Company is extremely proud of the relationship that we have with NBCSL. I can't think of another organization that we go back that far and that long that's still alive and well today. And I think it speaks to the work that you guys do and the comments that Nate made earlier. So, I've had the opportunity to see the relationship grow and I think judging from the agenda and it's too bad that we had to shut down because I know some of the speakers that we worked very hard to get were unable to attend. It is great to see so many of my friends from across the years like Representative Charlie Brown, Delegate Nate Oaks, and many others. You know, I think about the work we have done together, the important work that we have done together specially in the area of mental health in capitols throughout the country and the good times that we've had at these meetings. But before I continue, I wanted to take just a moment of privilege here and remember a true warrior in the fight for justice. She was a woman who recently left us but her spirit lives on whenever and wherever NBCSL members gather. I think she was somebody obviously that helped nurture this organization and certainly her leadership was instrumental in allowing us to continue to grow in this conference. And I'm talking about Lois DeBerry. So I'd like to take just a minute in silence to honor her memory. Thank you. [pause] Thank you. As I thought about my comments this morning, there's a few instances over the last 20 years that really stand out for me. And there's a number of times that we've come together and we've discussed issues like health disparities and health care discrimination, and more specifically mental health. And you know better than I that, you know, Dr. King once said, "Of all the forms of inequality, injustice in health care is the most shocking and inhumane." And I think of how Lilly has become a better healthcare company because of this conference. And I was thinking back to a dialogue we had and I think it was probably the mid-to-late 90s, and we were over at the corporate center. And we had a bunch of Lilly execs get up on the podium. And we had a Q & A period. And there were some members, and I can't remember who they were but they began to challenge us pretty hard on what Lilly was doing in the area of diversity in clinical trials. And the reality of it was we didn't really have any

good answers, and the executives that we're on the stage felt very uncomfortable. And I remember after the meeting, Alan Clark was the President of our U.S. Business Operation at that time. And Alan called a few of us together and he said there was a couple executives that believe it or not said, "Oh, why would you put these guys in that position?" And I said, "Because they need to listen and they need to learn from people. And they need to understand what happens outside the walls of Eli Lilly and Company." And Alan Clark who was the president came up and he said, "You know what, that was great." And Alan was always a great leader. And he said, "You know, we need to do something about this, right? We just -- we need to do it." And we embarked on a journey where we began to look at how we would do a better job in working with some of the Black colleges to help them build those capabilities to do clinical trials. And what were the things that kept us from enrolling folks and why we're not where we want to be, I will tell you right now that we are now recognized as one of the leaders in that area in the pharmaceutical industry. And it was quite frankly the prompting from this organization that got us there. And to me, those kinds of things are good. I want to talk about -- a little bit about the great work you guys have done on depression. You know, I remember several years ago, again, as I thought about the conference when we had Jennifer Holliday here, and she gave a pretty emotional speech on her experience with depression. And she recounted a story on how terrible that she felt because she had a friend who was also suffering from depression but she never communicated to that friend that she, too, was going through that experience, and shortly thereafter her friend committed suicide. And I think that event at least as explained to us dramatically changed her life. And she became a crusader to remove the stigma of mental health. And to this day, she's still spreading the word to people in communities of color around the country. And it was this conference in fact that I think led many of the NBCSL members that were there at that time to become evangelists of sorts, if you will, on the subject of mental health. I think when it comes to the subject of de-stigmatizing in treating patients with mental illness, this organization has been at the forefront of that fight. It's been commented on several times this morning. Whether it was making sure that patients had access to the latest medicines or when it came to the issue of mental health parity, and how mentally ill patients were going to be treated as opposed to those with physical illness. You guys have stood up in capitols around the country to make a difference. I'll give you a couple of examples. In Oregon, I remember when we had a big fight up there. And Senator Margaret Carter, a Democrat, and Jackie Winters, a really staunch Republican, joined together to make sure that people in that state had access to the medications that they needed. We had a situation in North Carolina when the state was looking at repealing one of the mental health exemptions. And what that meant was at the end of the day, the state was going to require people to have to fail on older medications before they could get access to the new medications. And none of that stuff made sense from either an economic perspective or a clinical perspective. But I remember it was Representative Beverly Earle, Dan Blue, and several other NBCSL members, they came together and said, "You know, in no uncertain terms, this isn't going to happen." And you know what? It didn't. And together with their like-minded colleagues there, they fought this issue year after year. And at the end of the day, people got the medicines that they need.

Now, I know that besides mental health across the nation, NBCSL works on all kinds of issues, but the work that you guys do in just going out and handing out information to the churches and other public places, holding healthcare conferences in your districts, spending countless hours and energy letting people know that they no longer need to be ashamed on this particular issue and hide in their homes or in shelters or, worse yet, in alleyways or under bridges. And obviously as I've stated, you've led the charge in so many ways on other issues in terms of education, employment, criminal justice, and other key issues that obviously plague our society today. So one of the questions is kind of where do we go from here? You know, it was mentioned about the Affordable Care Act earlier. It's just begun to be implemented. And we're going to have to obviously watch and see what's going on and how things progress. And we know the battle is going to continue in Washington but we also know at the end of the day a lot of these policy fights are going to come to the states. And we're going to have to be I think a little bit more adult-like than what we're seeing in D.C.

AUDIENCE MEMBER: Yeah.

MR. JOSEPH KELLEY: Right? And so hopefully some of the sanity and the common sense will return today, but rest assured these issues are coming to a theater near you. And I want you to know as always, you know, we remain as Lilly committed to work with you on the policies to make sure that the people who need our medicines get our medicines. And there's going to be a lot of ups and downs about transparency and how these networks work and the kinds of insurance programs that are out there. And we're going to have to watch them closely, because at the end of the day this is a very complex issue. And we're not going to get everything right but we need to make sure that at the end of the day when these new medicines come along, the people have access to them. So when you think about the Affordable Care Act and some of the changes that are happening now, there's a lot of impact that's happening in our world. Like a lot of other sectors, the pharmaceutical industry is trying to figure out ways how we survive and compete in what's a pretty dynamic market place. At Lilly, today we're in the middle of a challenging time when a number of our leading medicines are losing patents. I'll give you an example, starting last year, this year, and next year we'll lose three patents at our company. Those three patents will account for \$7 billion in sales. That's with a B. We're a \$25-\$27 billion company, so approximately a little over a third of our total revenues will be gone. So we'll lose our number two drug,, Cymbalta, in November and the next drug will be Evista in the spring. So what ends up happening is it creates a lot of challenges, and when you look at our industry, the whole industry is in the midst of a five-year period where branded medicines with sales of about a \$150 billion worldwide are losing patent protection. And while this is good news to consumers, it has a very significant impact on our company and in the industry. And it really has an impact in terms of how we do research and development (R&D). When I started with Lilly 20 years ago, it cost us about \$350 million to bring a drug to market. You hear today people talk about the fact that it's a billion, billion and a half. I don't believe those numbers and I'll give you an example. Eli Lilly and Company in the last 10 years has spent \$40 billion on R&D. And we've introduced one new molecule. And we've had some upgrades on some other drugs. If you look

around, and I know a lot of you are familiar with other folks in the industry, AstraZeneca, Pfizer, and others, we've all been struggling because a lot of the low-hanging fruit in terms of therapeutic areas, we've found treatments, and now we're into the hard stuff. Auto-immune, cancer--well, still depression, Alzheimer's disease, et cetera, et cetera. And these are just very, very hard illnesses to treat. And so right now, it's probably costing us somewhere between two and four billion dollars to bring a drug to the market and that really creates some challenges when you start to lose \$7 billion worth of revenue. Economically, generic medicines I think you all know are the legacy of our industry. You know, when we came up with Prozac years ago, it was a major breakthrough in diabetes. I think at the time, you could get a month's supply of Prozac for \$150. Today, you can get it at Walmart for four, right? And we like to say that's our gift. We understand when it goes off patent, it goes off patent, but it was the brains at this company that came up with that. And so--but we need to figure out how we continue to move that forward, but I don't think anybody here would say that we have all the medicines that we need. Giving the evolving nature of diseases like HIV/AIDS, the possible emergence of unforeseen dangers with H1N1, the possible--excuse me, the tenacity of diseases of aging such as cancer and Alzheimer's. We need pharmaceutical innovation more than ever. And I know when you look at your families and loved ones, we're all touched. I know you can understand in your mind what I'm talking about. Let me give you one example and I know you guys had a conference on it last year. Alzheimer's disease, what a -- what a human tragedy, I watched my dad go through it for four or five years, and it was terrible. It's an economic catastrophe not only personally but to our government because of the healthcare system we have and how we take care of people. A new RAND study says that dementia now costs the U.S. up to \$215 billion a year in medical care and other costs. These human and economic costs are set to explode. According to the Alzheimer's Association, AD today affects more than five million Americans including one out of every eight, sixty-five or older. By 2050, that number is expected to reach 16 million and cost the U.S. north of a trillion dollars—a trillion dollars barring any medical breakthroughs to slow it down. It's estimated that if we can come with -- come up with treatments that effectively delay the onset by say five years, we can reduce the cost by almost 500 billion dollars. I think some of you are familiar with the fact that Lilly has had two products, one that failed in phase three trials and the third one that didn't meet its endpoints but showed some really good data in terms of potentially helping people with mild Alzheimer's. So we've committed to another clinical trial and hopefully we'll get some good results, and we'll have that back in the next two and a half years. But like HIV, ultimately the treatments for this and a host of other unmet medical needs are going to come from the innovative biopharmaceutical industry with support from academic institutions and the NIH. That collaboration is what allows us all to move forward and try to come up with new products to meet these unmet medical needs. A company's ability, however, to pursue innovation in any field requires an ecosystem, and it's an ecosystem of public policy where innovation can flourish. And by that, I mean solid protection of intellectual property which is critical for our industry. A fair and rigorous transparent regulatory system, and a predictable tax structure that allows us to plan and invest for the future. For biopharmaceuticals, that ecosystem must also include open access to health

care markets and market-based pricing, government support for basic research, NIH and a robust collaboration between industry and government and academic labs. So I ask you guys when you go back home continue to be the champions of the policies that support and promote that environmental ecosystem. I haven't talked about what that means from a jobs perspective. You're in Indiana. Eli Lilly and Company, we have about 10 to 15 thousand jobs in this -- in this -- in this state. The average comp and ben [compensation and benefits package] for an in -- for a Lilly employee is about \$90,000. These are the kinds of jobs we want in America. We look at the number of vendors that we do business with in Indiana. Take a guess how many companies do business with Eli Lilly and Company in Indiana, close to 3,000. When we get a cold, they get a cold, right? And so, when we think about this it's not only from the standpoint of delivering the medicines, but it's also in terms of our economy, and if you're in North Carolina, if you're in Pennsylvania, if you're in New Jersey, if you're in Maryland, this environmental ecosystem is not only touching the big companies and the names that you know but it's all those other small businesses that we work with. It touches our friends in organized labor who build our facilities, the sheet metal workers, the iron workers, the electrical workers. These are the guys that build our billion-dollar biotech plant. And so, when we think about the kinds of policies that we're engaged in, I encouraged you to think broad and understand that when you make certain kinds of decisions that undermine our ability to innovate, they have an impact on the economic environment in your state in where we operate. Only through innovation can we sustain the last century's progress in longevity and quality of life. Only through innovation can we make progress against the scourges we know and those to come. Only through innovation can we offer hope to those patients and their families that are on the receiving end of a very bleak diagnosis. And only through innovation, will we be able to sustain robust healthcare systems that provide ever-improving care and outcomes to address the rapid challenges that we have with an aging population. So I really appreciate the opportunity to spend time this morning with you guys. I miss not being able to be here on a more frequent basis. One of the fun memories I had was the day that Sydney Terrell gave Lois that doll in front of the group, and I'll never forget the smile on her face and-and I don't know it's just a really -- it was really a nice event. So thank you for having me. Thank you for having Nate.

AUDIENCE MEMBER: Yeah.

MR. JOSEPH KELLEY: And Nate, thanks for all that you do. Thank you and God bless.

REPRESENTATIVE JOE ARMSTRONG: Thank you, Joe. Thank you so much. Let's give another round of applause. Joe Kelley has been friend of NBCSL and Lilly as a whole and, you know, this industry is facing a lot of challenges and as you know a lot of decisions now are rolling back on the states and it's important that we make sure we understand the relationship between the formularies and our Medicaid Departments and understanding how important it is to make sure that we look after those companies that are doing the R&D, the Research and Development, to bring products to help our constituency and, you know, you -- a lot of things that he mentioned I know that it has been issues that we've talked about that

we've fought on. And when we start talking about step therapy and then when it comes with legislation requiring nothing but generic drugs for Medicaid recipients and such, and so we know that the fight is still continuing **46:51 CUT** and as it -- well, Charlie Brown. Charlie, you're recognized.

REPRESENTATIVE CHARLIE BROWN: ...in a portion of us here in Indiana are going to be confronted with the next session with this big question of changing our constitution. And Joe mentioned that they want the best and the brightest at Lilly and we want the best and the brightest at Lilly. And yet we all know that the issue of putting in the constitution that a marriage is between a man and woman is going to drastically impact business and the recruitment efforts by Fortune 500 companies. So I want to ask Joe, what is Lilly doing to try to change the mindset of leadership of both chambers and the governor's office on this whole issue of putting into the Indiana Constitution that a marriage is between a man and a woman.

REPRESENTATIVE JOE ARMSTRONG: Well, certainly I know that dialogue can go all across the country. I mean, it's been on the ballot in Tennessee. And whenever that issue is coming up on the ballot in Tennessee it was placed in the constitution that our state only recognizes a marriage between a man and woman. So I don't think that we're quite prepared to start -- we're getting in a different direction and we're -- we want to kind of stick to the -- to the dialogue on depression and issues along that line. And if we could defer that question to maybe later when you all can have a private conversation certainly appreciate it, because we are streaming at this point. People are listening to us all across the country that are experts in depression and things of that nature. So we're going to stay on task this morning and I want to next bring. **RESUME 48:39** And thank you, Joe, so much and...

MR. JOSEPH KELLEY: Thank you.

REPRESENTATIVE JOE ARMSTRONG: ...Thank Lilly. Alright.