

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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<http://oversight.house.gov>

April 2, 2020

Mr. Stephen J. Ubl
President and Chief Executive Officer
Pharmaceutical Research and Manufacturers of America
950 F Street, N.W., Suite 300
Washington, D.C. 20004

Dear Mr. Ubl:

In order to end the ongoing coronavirus crisis, every American—regardless of income or insurance status—must be able to afford any drug that is effective in preventing or treating the virus. It would be irresponsible and a danger to our entire nation to prevent any American from obtaining treatment as a result of the costs they may face.

Today, the Committee is writing to PhRMA to request that all of its member drug companies commit to setting affordable list prices for any medications, including vaccines, that may be used to prevent or treat coronavirus. As a nation, we must ensure universal access in order to protect all Americans.

Recently, PhRMA launched a public relations campaign touting its members' contributions to ongoing research into potential treatments for coronavirus.¹ However, we hope you agree that no drug company should be allowed to profiteer, especially during this public health emergency, and we look to you to set this standard for all of your members.

For example, Gilead Sciences recently secured a seven-year monopoly from the Food and Drug Administration under the Orphan Drug Act for its experimental coronavirus drug, remdesivir. Gilead relied on extremely limited testing conducted in the United States to claim that its drug was a treatment for a "rare disease" under the Act—despite recent projections that as

¹ See, e.g., *The Biopharmaceutical Industry is Leading the Way in Developing New Vaccines and Treatments for COVID-19*, Pharmaceutical Research Manufacturers of America (Mar. 12, 2020) (online at <https://phrma.org/Fact-Sheet/The-Biopharmaceutical-Industry-is-Leading-the-Way-in-Developing-New-Vaccines-and-Treatments-for-COVID-19>).

many as 96 million Americans ultimately could be infected with the virus.² Only after immense public pressure did Gilead reverse course and ask FDA to rescind this orphan drug designation.³

For these reasons, the Committee asks that PhRMA provide a written response to the following requests by April 9, 2020:

1. Will PhRMA's members commit to not raising the list price, including the Wholesale Acquisition Cost and the Average Wholesale Price, of any existing product that is or may be used to prevent or treat coronavirus?
2. Will PhRMA's members commit to setting launch list prices for any new products that are or may be used to prevent or treat coronavirus that are no greater than necessary to recover the costs of direct research and manufacturing?
3. Will PhRMA's members commit to providing detailed public accountings of their costs in developing any products that are or may be used to prevent or treat coronavirus and their reliance on federally funded research to develop such products?
4. Will PhRMA's members commit to providing products that are or may be used to prevent or treat coronavirus for free to any uninsured or low-income individuals who cannot afford them?

We ask that you share this letter with all of your member companies. To the extent that any member is concerned about responding collectively to the Committee through PhRMA, that company may respond individually to the Committee by the above date.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. If you have any questions about this request, please contact Committee staff at (202) 225-5051.

Sincerely,



Carolyn B. Maloney
Chairwoman

²*Potential Coronavirus Treatment Granted Rare Disease Status*, Washington Post (Mar. 24, 2020) (online at www.washingtonpost.com/health/potential-coronavirus-treatment-granted-rare-disease-status/2020/03/24/5c751e56-6e0a-11ea-a156-0048b62cdb51_story.html); *Worst-Case Estimates for U.S. Coronavirus Deaths*, New York Times (Mar. 13, 2020) (online at www.nytimes.com/2020/03/13/us/coronavirus-deaths-estimate.html).

³ *Gilead Withdraws Request for Special Orphan Status on Experimental Virus Treatment*, New York Times (Mar. 25, 2020) (online at www.nytimes.com/2020/03/25/health/gilead-coronavirus-orphan-drug.html).