



07/01/2020

**For Immediate Release:**

## STATEMENT ON THE PRICE OF REMDESIVIR

The National Coalition on Health Care (NCHC) strongly objects with Gilead's pricing of remdesivir – an anti-viral to treat COVID-19 – [announced](#) earlier this week. The pricing decision will exacerbate the health care affordability crisis already plaguing the country's response to COVID-19. Fundamentally, the United States needs to develop a fair drug pricing system that does not rely on the good will of for-profit entities to restrain drug prices, as a matter of containing health care costs and preparing for the next crisis.

According to an [independent analysis](#) by the Institute for Clinical and Economic Review (ICER), Gilead would recoup costs associated with producing the drug for \$1600 per treatment, when accounting for the company's total 2020 costs. Gilead will sell the drug to Medicare and Medicaid agencies for \$3,120 per treatment, or \$390 per vial for the government. Gilead will charge private insurers closer to \$520 per vial. Further, other developed countries will [pay](#) at 25 to 33% less than the United States for the same drug.

The price set by Gilead underscores existing challenges of high launch prices in the United States simply because companies can do so here. U.S. taxpayers already [invested](#) \$70.5 million towards the research, development, and distribution of remdesivir, but are still paying higher prices than other countries. Because Congress has not reduced or eliminated cost-sharing for COVID-19 treatment, as it did testing for COVID-19, higher prices translate to higher out-of-pocket costs for many Americans. In addition, patients themselves will not likely see the savings that may result when patients have shorter hospital stays, especially if the costs of this treatment are [absorbed](#) by higher Part A or private cost-sharing in future years.

The high launch price of remdesivir is only the latest example of pharmaceutical industry profiteering during the pandemic. A Gallup and West Health poll [indicated](#) that 90% of Americans are concerned that the industry will use the pandemic to raise prices. AARP [reported](#) increased prices for 245 drugs since the first coronavirus case in the U.S.

Gilead has entered into a distribution [agreement](#) with HHS to distribute 500,000 doses of remdesivir to the highest-need hospitals for the next several months, but this does not justify a higher and non-negotiable American price. First, the determination for the hospital

allocations has not been discussed in detail. Second, HHS will no longer control the supply and distribution of remdesivir for U.S. hospitals by the end of September. This leaves gaps in access to the therapy, especially for those who are uninsured or underinsured. The power of new technology to improve population health is limited by its affordability, especially for Americans who fall in the cracks of a fragmented financing system.

Unlike other countries like Germany, there is no negotiation or arbitration system for setting fair prices for drugs based on their value in the U.S. There is limited public information as to the cost-effectiveness of this treatment to justify prices in the United States well above other countries, and the ICER analysis would indicate that we are paying too much. We instead rely on profit maximizing behavior without binding, independent assessment of costs and benefits. NCHC supports independent analyses based on transparent quality data to guide launch prices – not a company's good will and shareholder demands.

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