

U.S. Sen. Baldwin: Criticizes Trump administration deal that allowed manufacturer of COVID-19 antiviral drug Remdesivir to charge buyers highest prices in world

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WASHINGTON, D.C. - U.S. Senator Tammy Baldwin, a member of the Senate Health, Education, Labor and Pensions (HELP) Committee, today sent a letter to Department of Health and Human Services (HHS) Secretary Alex Azar seeking an explanation for why the “amazing deal” struck by President Trump for a large supply of remdesivir forces U.S. purchasers to pay the highest prices in the world for the drug. The letter was led by Senator Elizabeth Warren (D-MA) and also signed by Senators Tina Smith (D-MN), Bernie Sanders (I-VT), Chris Van Hollen (D-MD) and Sherrod Brown (D-OH).

Remdesivir is an antiviral drug that has demonstrated effectiveness in reducing recovery time for patients hospitalized with COVID-19. It has the potential to benefit Americans hospitalized by COVID-19. But the senators are concerned that the Department acquired its supply of remdesivir at an exorbitant cost by allowing Gilead Sciences, the drug’s manufacturer, to charge U.S. purchasers a price that is more than 350 times the price necessary to produce and profit from the drug.

“We are therefore requesting information from the Department to help us better understand why President Trump–or whichever Administration officials were responsible–would strike such an expensive deal, and what steps the Administration is taking to ensure sufficient supply of the drug,” **the senators wrote.**

Gilead has stated that governments of other developed countries will be paying \$2,340 for a treatment course of remdesivir, but that American hospitals and other purchasers will be paying “approximately \$3,200”—\$860 more than the price in other countries. The higher prices charged by Gilead will result in higher insurance premiums for individuals and businesses that provide health insurance coverage. Although Medicare and Medicaid beneficiaries may be shielded from these higher costs, the costs of the drug will be borne by taxpayers, who will ultimately foot the bill for reimbursement. According to one study, a full course of remdesivir treatment can be manufactured and sold with a 10% profit margin for about \$9—meaning that the price set by Gilead for health insurers is more than 350 times greater than the price necessary to produce and profit from the drug.

“This high price is unjustified. There is no reason that Gilead cannot provide the drug to U.S. consumers for the same price that it is providing it to other countries,” **wrote the senators**. “And it is profoundly unfair to the American taxpayers that furnished over \$70 million in research costs for the drug to now be stuck paying the highest prices in the world.”

HHS did not have to acquire remdesivir through a deal requiring American taxpayers to pay the highest prices in the world for the drug. Instead, the Administration could have invoked—and could still invoke—a number of legal provisions that allow it to assert control over the production and distribution of remdesivir. A [recent report](#) even indicates that the U.S. Government “appears likely to be the legal co-owner of the key patents on remdesivir itself,” further diminishing Gilead’s rights to be the exclusive manufacturer and distributor of remdesivir in the U.S.

“Gilead has licensed generic manufacturers to produce the drug for other countries, further driving down the price abroad, and the federal government can—and should—do the same in the United States,” **the senators concluded their letter**.

To better understand why the Trump Administration agreed to pay exorbitantly high prices to Gilead for remdesivir, rather than utilizing its multiple other options to acquire the drug, the senators have requested responses to their letter no later than July 30, 2020.

The full letter is available [here](#).

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