

**Congress of the United States**  
Washington, DC 20510

July 27, 2020

The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Dodaro:

We request that the Government Accountability Office (GAO) conduct a review of the federal government's investment into the research and development of the antiviral medication remdesivir.

Remdesivir has shown some promise as a treatment for COVID-19, although the safety and efficacy of the treatment continues to be evaluated.<sup>1</sup> On June 29, 2020, Gilead Sciences, the company that sells remdesivir, announced that it will charge government programs \$390 per vial, or \$2,340 per five-day treatment of the drug.<sup>2</sup> Gilead has acknowledged that it will charge more in the United States for commercially-insured patients—\$520 per vial, or \$3,120 for a course of treatment.<sup>3</sup>

Remdesivir's exorbitant price, which comes as the United States continues to grapple with the coronavirus pandemic, is difficult to understand because Gilead collected more than \$22.4 billion in total revenues and generated more than \$5.3 billion in profit last year alone.<sup>4</sup> Analysts have projected that at this price point, Gilead will generate nearly \$2 billion in profits from remdesivir by the end of this year, while public health experts have warned that remdesivir's price may strain Medicare and hospitals treating COVID-19 patients.<sup>5</sup>

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<sup>1</sup> Food and Drug Administration, *Coronavirus (COVID-19) Update: FDA Warns of Newly Discovered Potential Drug Interaction That May Reduce Effectiveness of a COVID-19 Treatment Authorized for Emergency Use* (June 15, 2020) (online at [www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-warns-newly-discovered-potential-drug-interaction-may-reduce](http://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-warns-newly-discovered-potential-drug-interaction-may-reduce)).

<sup>2</sup> Gilead Sciences, *An Open Letter from Daniel O'Day* (June 29, 2020) (online at [www.gilead.com/news-and-press/press-room/press-releases/2020/6/an-open-letter-from-daniel-oday-chairman--ceo-gilead-sciences](http://www.gilead.com/news-and-press/press-room/press-releases/2020/6/an-open-letter-from-daniel-oday-chairman--ceo-gilead-sciences)).

<sup>3</sup> Gilead Science, *An Open Letter from Daniel O'Day* (June 29, 2020) (online at [www.gilead.com/news-and-press/press-room/press-releases/2020/6/an-open-letter-from-daniel-oday-chairman--ceo-gilead-sciences](http://www.gilead.com/news-and-press/press-room/press-releases/2020/6/an-open-letter-from-daniel-oday-chairman--ceo-gilead-sciences)).

<sup>4</sup> Gilead Sciences, *2019 Form 10-K Annual Report* (Feb. 24, 2020) (online at <http://investors.gilead.com/static-files/1a607ba4-ee05-4dc5-9eeb-9509c6b8a3e4>).

<sup>5</sup> *Gilead Will Make a Profit on Remdesivir This Year, Says Analyst*, Barron's (July 6, 2020) (online at [www.barrons.com/articles/gilead-will-profit-on-remdesivi-coronavirusr-this-year-says-analyst-51594043153](http://www.barrons.com/articles/gilead-will-profit-on-remdesivi-coronavirusr-this-year-says-analyst-51594043153)); Kaiser Family Foundation, *How Could the Price of Remdesivir Impact Medicare Spending for COVID-19 Patients?*

Remdesivir was developed with an estimated \$70 million in federal funding, and Gilead relied on key scientific contributions from government scientists.<sup>6</sup> Despite investing significant resources in the development of remdesivir, the federal government is now expected to spend billions of dollars purchasing the drug. In fact, the Department of Health and Human Services has already contracted with Gilead to purchase nearly the company's entire supply of remdesivir through September.<sup>7</sup>

To ensure that Congress has a better understanding of these issues and possible actions that the federal government can take to address them, we request that the Comptroller General initiate a review that evaluates the following questions:

1. What financial, scientific, or technical contributions that federal agencies have made to the discovery and development of remdesivir?
2. What legal rights do federal agencies have related to their contributions to the discovery and development of remdesivir?

Please include recommendations for agency or congressional action in your evaluation. If you have any questions about this request, please contact Senator Stabenow's staff at (202) 224-4822 or Oversight and Reform Committee staff at (202) 225-5051.

Sincerely,



Debbie Stabenow  
Ranking Member  
Subcommittee on Health Care, Senate  
Committee on Finance



Carolyn B. Maloney  
Chairwoman  
Committee on Oversight and Reform

cc: The Honorable James Comer, Ranking Member  
Committee on Oversight and Reform

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(online at [www.kff.org/coronavirus-covid-19/issue-brief/how-could-the-price-of-remdesivir-impact-medicare-spending-for-covid-19-patients/](http://www.kff.org/coronavirus-covid-19/issue-brief/how-could-the-price-of-remdesivir-impact-medicare-spending-for-covid-19-patients/)).

<sup>6</sup> James Krellenstein, Christopher J. Morten, *The U.S. Government's Apparent Co-Ownership of Patents Protecting Remdesivir*, PrEP4All (May 20, 2020) (online at <https://static1.squarespace.com/static/5e937afbfd7a75746167b39c/t/5ecd886c5699191ae9bad9ea/1590528109403/The+U.S.+Government%27s+Apparent+Co-Ownership+of+Patents+Protecting+Remdesivir+-+P4A+%26+NYU.pdf>).

<sup>7</sup> Department of Health and Human Services, *Trump Administration Secures New Supplies of Remdesivir for the United States* (June 29, 2020) (online at [www.hhs.gov/about/news/2020/06/29/trump-administration-secures-new-supplies-remdesivir-united-states.html](http://www.hhs.gov/about/news/2020/06/29/trump-administration-secures-new-supplies-remdesivir-united-states.html)).