

Congress of the United States
Washington, DC 20515

August 1, 2012

Dr. John C. Martin
Chairman and Chief Executive Officer
Gilead Sciences, Inc.
333 Lakeside Drive
Foster City, CA 94404

Dear Dr. Martin:

As Members of Congress who are committed to ensuring access for people living with HIV/AIDS to lifesaving treatment, we write to express our concern regarding the implications of Gilead's recent price increases for certain antiretroviral drugs in the commercial market on our nation's AIDS Drug Assistance Program (ADAP). It is our understanding that, while Gilead currently has a price freeze in effect through 2013 for drugs provided to ADAP, the prices of HIV/AIDS drugs in the commercial market have indirectly exacerbated the ongoing ADAP funding crisis. In addition, we are troubled by media reports that indicate that Gilead may charge as much as \$34,000 for its new drug, known as the "Quad," in the commercial market. Without more affordable HIV/AIDS drugs, we fear that Ryan White Part B-funded co-pays and deductibles will continue to rise, leaving less funding available for ADAP and thousands of our most vulnerable constituents untreated. Therefore, we urge Gilead to consider sustainable pricing strategies for its products that would help allow ADAP to provide treatment to as many individuals as possible.

In January, Gilead imposed a 7.9 percent price increase on Truvada and agreed to a 7.3 percent increase on Complera and a 6.6 percent increase on Atripla in the commercial market. These price increases significantly exceed the annual rate of inflation according to the Consumer Price Index (CPI), making these drugs less affordable for privately insured patients and Medicare patients. As a result, Ryan White Part B programs that help these patients afford their co-pays and deductibles now face overwhelming demand and have instituted waiting lists. Given that Ryan White Part B funds both the co-pays and deductibles of privately insured patients as well as ADAP, price increases for antiretroviral drugs in the commercial market diminish the ability of ADAPs to purchase drugs and sustain their case loads. More affordable prices for antiretroviral drugs in the commercial market would mean smaller co-pays and deductibles for insured patients and thus more Ryan White Part B funding for ADAP.

Furthermore, several leading national AIDS organizations have indicated that, based on their analysis of the current market price of antiretroviral components, they expect Gilead's upcoming Quad HIV combination drug to cost between \$27,000 and \$34,000 per patient per year. This would be 38 percent more than the cost of Atripla, the most commonly utilized HIV combination drug. Due to the Quad's single-tablet regimen and lack of neuropsychiatric side effects, it is expected to become a first-line therapy for many doctors. Yet if the Quad is commercially priced at the lowest estimation of \$27,000, the negotiated price for ADAP would still likely top the current ADAP price for Atripla of \$10,000 per person per year. This would have a detrimental impact on ADAP as purchasing drugs represents 85 percent of its costs. Current ADAP funds would equate to fewer drugs for patients and waiting lists would grow.

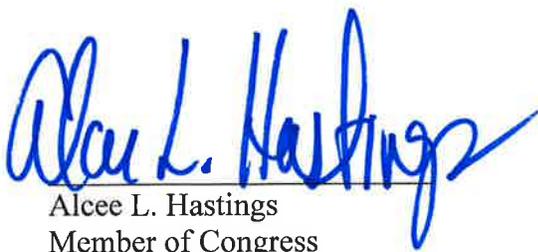
ADAPs all across the country are already struggling to meet the increasing demand for HIV/AIDS drugs. According to the most recent data available, there are 1,805 individuals on ADAP waiting lists in nine states nationwide. Furthermore, 445 individuals in three states were disenrolled from their respective programs as a result of new cost-containment measures and six ADAPs have lowered their financial eligibility. Given the difficult budget challenges facing these states, rising drug costs in the commercial market threaten to further hinder ADAP operations and disrupt or prevent access to lifesaving treatment for those in need. Previous drug price increases in the commercial market that exceeded the annual rate of inflation have forced states to either cut funding for ADAP or other essential health care services. In the end, people living with HIV/AIDS are paying for these costs with their health.

At a time when millions of Americans continue to face daily uncertainties – from diminishing job security and income, to devalued mortgages, to rising health care costs – people living with HIV/AIDS are especially vulnerable. For the majority of these individuals, who are low-income, uninsured, or underinsured, ADAP is their only lifeline. Sadly, due to the ongoing ADAP waiting lists, reduced formularies, and other cost-containment measures, countless individuals living with HIV/AIDS do not know where else to turn for the drugs they need to stay alive. In this regard, we would like to commend Gilead and other pharmaceutical companies for their efforts to help these patients through ADAP rebates and their co-pay and Patient Assistance Programs (PAPs). Ultimately, however, we cannot hope to bring an end to the waiting lists if ADAP is unable to procure the drugs necessary to support all patients using current available funding.

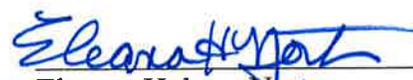
If we are to be successful in improving the health outcomes of people living with HIV/AIDS and preventing the transmission of HIV, we must strive to make treatment more accessible and affordable for all patients. The rising costs of antiretroviral drugs in the commercial market have limited the number of people who can be served using existing ADAP funds, which, despite increased support in recent years, have proven to be severely insufficient. The unfortunate reality is that many state ADAPs are just one budget crisis away from exhausting all available funds. In fact, this scenario has already come to pass. Moreover, while ADAP serves as a safety net for low-income, uninsured, and underinsured individuals, those who do not meet increasingly tougher income eligibility requirements are potentially faced with paying full price for their drugs.

Mr. Martin, thank you for your attention to this important matter. We greatly appreciate Gilead's continued commitment to developing new, more efficacious drugs for people living with HIV/AIDS. For over two decades, Gilead has been at the heart of advancing the health of the HIV/AIDS community. It is our sincere hope that Gilead will support our nation's ADAP by considering sustainable HIV/AIDS drug pricing in the commercial market – particularly for the Quad –, as well as supplemental price reductions and rebates, that bolster the ability of ADAPs nationwide to provide lifesaving drugs to all those in need. Thousands of people living with HIV/AIDS are depending on it. If you should have any questions, or if we may be of any assistance, please do not hesitate to contact us.

Sincerely,



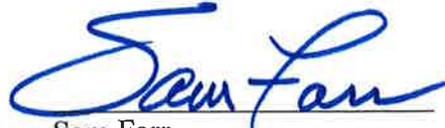
Alcee L. Hastings
Member of Congress



Eleanor Holmes Norton
Member of Congress



Corrine Brown
Member of Congress



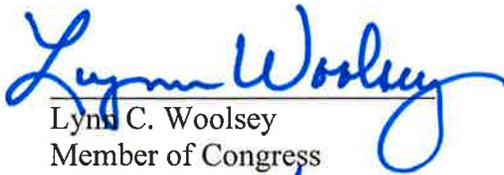
Sam Farr
Member of Congress



Luis V. Gutierrez
Member of Congress



Maxine Waters
Member of Congress



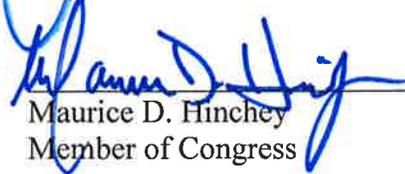
Lynn C. Woolsey
Member of Congress



Janice D. Schakowsky
Member of Congress



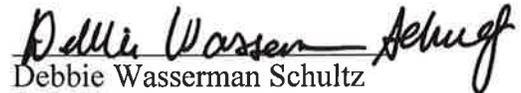
Raúl M. Grijalva
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