

Congress of the United States
House of Representatives
Washington, DC 20515-0517

February 15, 2018

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar,

We write to you today regarding our shared concern for skyrocketing prescription drug prices and how you can use your authority as Secretary of Health and Human Services to address this crisis. During your confirmation hearings, you committed to taking reasonable steps to lower drug prices. On behalf of millions of Americans, we request that you use your existing authority to immediately address the unconscionably high cost of hepatitis C virus (HCV) treatments.

An estimated 2.7 to 3.9 million people in the U.S. have chronic hepatitis C, with the number of cases having tripled between 2010 and 2015. The virus kills more than 20,000 Americans each year according to the Centers for Disease Control and Prevention (CDC) - more than all the other top 60 infectious diseases combined, including HIV and tuberculosis. California and Texas alone are estimated to have 750,000 and 400,000 people infected with chronic hepatitis C, respectively.

Many of these deaths directly result from patients' inability to access medicines due to their exorbitantly high prices. For example, Harvoni, Gilead's leading combination HCV drug, costs around \$96,000 for a 12-week treatment, though negotiated prices can bring Gilead's treatments into the \$20,000 range for some purchasers. Another new drug, Mavyret, produced by AbbVie, was introduced with a list price of \$26,400. In 2015, federal health care programs spent more on Harvoni than any other medicine. Medicare alone spent over \$7 billion and Medicaid spent almost \$2.2 billion according to the Centers for Medicare & Medicaid Services.

At current prices, most reimbursement entities, both public and private, limit reimbursement to patients who have the most severe liver damage, while patients without insurance and patients with less severe symptoms go untreated. Louisiana, for example, would need to spend \$764 million to cover the 35,000 uninsured and Medicaid-dependent residents with hepatitis C, more than one-fifth of the state's discretionary budget. As a result, state Medicaid programs and prisons have restricted treatment to people in the advanced stages of the disease. The CDC reports 60 to 70 percent of patients who have delayed treatment go on to develop chronic liver disease. The failure to aggressively treat all infected persons will have public health ramifications for decades to come.

We urge you to use your authority under 28 U.S.C. §1498 to address this public health crisis. Section 1498 authorizes federal agencies to use patented inventions for a “reasonable and entire compensation” when in the interest of the public good. Use of the law, or openly contemplating its use, has achieved important results in the past. In the 1960s, the Defense Department’s medical-supply agency used §1498 to obtain 50 drugs for \$21 million in savings. In 2001, HHS Secretary Tommy Thompson, by merely exploring potential use of this authority, was successful in negotiating a lower price for Cipro, a drug given to people exposed to anthrax. He acted after 22 Americans had been infected by anthrax, resulting in five deaths. With 20,000 Americans currently dying from hepatitis C every year, it is evident that the epidemic is well beyond any potential threshold for declaring a public health emergency.

We respectfully urge you to take immediate action under §1498 to alleviate this crisis impacting millions of sick Americans and hundreds of millions of American taxpayers. We appreciate your attention to this important matter and look forward to your prompt response.

Sincerely,



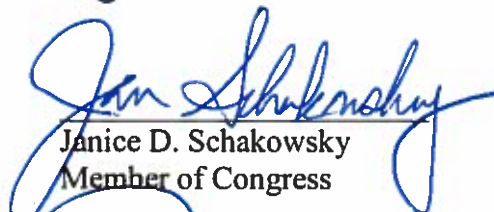
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Lloyd Doggett
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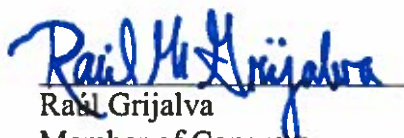
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