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May 12, 2015

The Honorable Robert A. McDonald
Secretary, U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonald:

I am writing to urge you to use your authority as Secretary of Veterans Affairs to break the patents on Hepatitis C medications for the treatment of veterans suffering with the disease.

Last December, as Chairman of the Senate Committee on Veterans' Affairs, I held a hearing about the high price of Hepatitis C drugs and the impact of those high prices on access to treatment for veterans. At the time, I raised concerns that the price of these new Hepatitis C drugs, specifically Sovaldi, which is manufactured by Gilead Sciences, even when discounted, would preclude veterans from accessing these life-changing drugs.

When Gilead brought Sovaldi to market, they priced the drug at \$1,000 per pill, or upward of \$84,000 for a course of treatment. This price was not a function of cost. It was, pure and simple, an abuse of monopoly power. They knew that as the only drug like it on the market, the price would be paid. Even VA, which got a better price because of your ability to negotiate drug prices, was forced to reallocate nearly \$400 million to cover the cost of these new drugs.

I have now learned that the concerns I raised last year have become a reality – VA is being forced to stop enrollment of new patients in treatment because of lack of funds.

One solution to this would be for Gilead Sciences to simply provide the drug to VA at no cost, as they have done abroad in the Republic of Georgia, India, and other places throughout the world with high rates of HCV infection. However, the company has not stepped up to do this for our country's veterans. Instead, they have prioritized an outrageous compensation package for Gilead's CEO John Martin, valued at over \$190 million, including stock options and shares.

Therefore, I ask you to utilize federal law, specifically 28 USC § 1498, to break the patents on these drugs to authorize third parties to manufacture or import them for government use.

I cannot think of a more clear-cut situation where the government use provision should be applied. Our nation's veterans cannot, and should not, be denied treatment while drug companies rake in billions of dollars in profits.

The Department of Veterans Affairs has long understood the devastating impact of Hepatitis C virus (HCV) on veterans. According to VA's own data, approximately 180,000 veterans currently enrolled in VA have been diagnosed with the disease and there may be an additional 40,000 enrollees who have not yet been diagnosed. Knowing that VA cares for a population with one of the highest rates of HCV in the country, the Department has sponsored 30 clinical trials to help treat and cure the disease, according to the National Institutes of Health. In fact, the founder of Pharmasset, the company purchased by Gilead that developed the breakthrough drug to treat HCV, now known as Sovaldi, is a VA employee.

The availability of these new drugs should have been cause for celebration. Prior to the development of these drugs, VA treated approximately 100 patients per week. With the new drugs now on the market, treatment rates have grown to approximately 750 patients per week. According to VA, this number could rise even further, to 1,100 patients per week with further improvements to capacity. And not only are treatment rates increasing, cure rates are increasing as well. We must not allow corporate greed to stand in the way of this potential.

I thank you for your prompt attention to this matter.

Sincerely,



Bernard Sanders
United States Senator