



the campaign for
SUSTAINABLE Rx PRICING

July 24, 2014

John C. Martin
Gilead Sciences, Inc.
333 Lakeside Dr.
Foster City, CA 94404

Dear Mr. John C. Martin:

I am writing you today on behalf of the National Coalition on Health Care and our Campaign for Sustainable Rx Pricing. As you may know, NCHC is the oldest and most diverse health care coalition focused on affordability. Our coalition includes consumer, payer, employer, labor, and provider organizations.

Our coalition believes that innovation that adds meaningfully to our health care options must be rewarded and sustained. It is that issue of sustainability that leads me to write you today regarding your drug for hepatitis C, Sovaldi. There is no question that Sovaldi has proven enormously rewarding to your company demonstrated by yesterday's earnings statement; however, at its current price it threatens the ability of public and private payers to deliver treatment and, moreover, it begs the question of health system sustainability given the onslaught of new high-priced therapies.

Sovaldi's price will also require trade-offs throughout the entire health care system. These trade-offs will have a significant impact on patients both directly and indirectly. We stand ready to work together to ensure patients and health programs are not forced to make these trade-offs because of the price of drugs like Sovaldi.

As you are aware I met with members of your team in June in Washington, D.C. to discuss the challenges facing the health care system as a result of the high cost of Sovaldi, and the potential inability of patients with liver disease from accessing this treatment because of its price. Your team asked that our coalition offer suggestions for things Gilead might do to address some of these concerns of the health care community.

To that end our coalition has three requests that would help demonstrate your commitment to responsible pricing:

1. **Substantially lower the pricing of Sovaldi.** Based on yesterday's record-breaking earnings, two points became abundantly clear. First, you will easily recoup the investment you made in purchasing and testing Sovaldi. Second, your company has plenty of financial wherewithal to lower the price. Substantially lowering the price would be an important good faith gesture to

the health care system that you understand your responsibility in ensuring everyone can access and afford this treatment.

2. **Pledge not to increase the price for subsequent versions.** We understand you plan to introduce new versions that could be used without some of the other drugs that now accompany Sovaldi. Further increasing your price here would be unconscionable and demonstrate contempt for the concerns expressed across the health care stakeholder community.
3. **Commit to greater pricing transparency and advance notice about pricing decisions.** Disclose the calculations that you believe justify pricing. Also commit to advance warning of launch prices and price increases to help the system better plan for expensive new therapies.

I look forward to your response on these items and am ready to meet with you and your team to continue our dialogue.

Best Regards,

A handwritten signature in black ink that reads "John Rother". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Rother".

John Rother
President and CEO,
National Coalition on Health Care