Marketing

Fair price for Gilead's COVID-19 med remdesivir? \$4,460, cost watchdog says

by Angus Liu | May 4, 2020 12:31pm



Gilead's COVID-19 drug remdesivir could rake in blockbuster sales in 2020 as influential cost watchdog ICER says the med is worth \$4,460 per patient. (Gilead)

How much should Gilead Sciences charge for its now-authorized COVID-19 therapy remdesivir? Up to \$4,460 per patient, an influential pricing watchdog figures.

While Gilead has yet to present a marketing plan for the first coronavirus treatment to have shown clinical benefits in a well-designed randomized study, the Institute for Clinical and Economic Review (ICER)—which routinely weighs in on drug costs—says the drug is cost-effective at \$4,460 per course of treatment.

Even at \$1,000 per patient, less than a quarter of ICER's fair price, Gilead could rake in \$1 billion in sales this year—at least theoretically. The company's now **bolstering supply** with the aim to treat 1 million patients by the end of the year,

Think with Google Get valuable customer insights informed by Google research, in your inbox for free. Subscribe Think with Google Weekly Thought-Starter

GET THE NEWSLETTER

Across all types of organizations, 75% of

marketers agree that lack of education/

Subscribe to FiercePharma to get industry news and updates delivered to your inbox.

Email

I acknowledge that I may receive emails from FiercePharma and on behalf of their trusted partners.



WEBINAR

Maintaining Momentum: Applying Recent Regulatory Guidance in the Midst of the Coronavirus

A panel of CATO SMS experts will review the key issues contained in the emerging Agency Guidance and offer thoughts on what changes and options for sponsors may be seen in the coming months.

WATCH ON-DEMAND

For now, Gilead is donating remdesivir to the U.S. government for allocation, and it's pledged to continue giving doses away until its current supply chain is exhausted. That's about 1.5 million doses, the company said. It hasn't detailed its plans for supplying the drug after that, whether in the U.S. or beyond, and hasn't offered any hints on pricing.

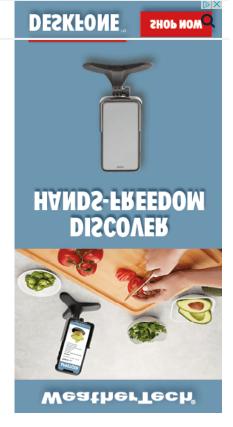
A revenue haul of \$1 billion may seem like a lot, but Yee noted that it's dwarfed by the \$6 trillion the U.S. government is doling out to prop up the economy. Plus, the federal Biomedical Advanced Research and Development Authority (BARDA) has committed up to \$483 million to fund the development and manufacturing of Moderna's mRNA vaccine candidate even ahead of clinical results, among other vaccine projects.

Moreover, a \$1,000 tag is "pretty reasonable" given the global context of modern drug pricing, Yee said. "The fact that ICER is typically conservative in all their analyses, and yet they can justify up to \$4,500, seems pretty interesting," he added.

Drugmakers aren't obligated to follow ICER's pricing limits, and they often find themselves at odds with each other. But in an open letter in late March, O'Day promised the company will "work to ensure affordability and access" to remdesivir.

RELATED: Gilead's remdesivir scores emergency FDA nod in COVID-19 days after big data reveal

ICER reached the \$4,460-per-course number using a more stringent model than usual.



About the Author

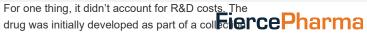


Angus Liu Associate Editor









of hepatitis C drug candidates, ICER argues, and Gilead has already recouped those costs by successfully selling other treatments in the area. It's worth noting that the Big Biotech's hepatitis C drug pricing—its first, Sovaldi, launched at a list price of \$1,000 per pill, or \$84,000 per course—raised considerable public anger.

ICER used a cost-effectiveness threshold of \$50,000 per incremental quality-adjusted life-year gained through use of remdesivir, instead of the more commonly used \$100,000/QALY and \$150,000/QALY standards it's applied to other drugs. Against the backdrop of a public health emergency at an enormous scale, a tighter threshold—and hence lower price—is more relevant, the group said.

RELATED: Analysts to Gilead CEO: What's your plan to monetize remdesivir?

ICER also assumed a 10-day course of treatment would cost \$10 to manufacture, based on a study published in the **Journal of Virus Eradication**.

According to data unveiled by the NIH's National Institute of Allergy and Infectious Diseases, remdesivir cut recovery time for COVID-19 patients by four days and offered a small survival benefit of 3 percentage points over placebo.

Gilead hasn't laid out a pricing plan. Its 1.5 million-dose donation could treat 140,000 patients on 10-day regimens. The emergency use authorization also allows for a five-day regimen for less severe patients not on invasive mechanical ventilation and/or ECMO. When pressed by analysts about its commercial plan during a conference call on Thursday, CEO Daniel O'Day said, "we just don't have the answers yet."

One thing is certain: Politicians, pharma critics and public health advocates, as well as other developers of COVID-19 therapies, will be watching closely when Gilead does reveal its commercial plans.

Read More On

COVID-19 drug prices Gilead Sciences ICER

Suggested Articles



Marketing

GBT chief cites COVID-19 for 'clear' Oxbryta launch slowdown

by Eric Sagonowsky May 7, 2020 2:09pm



Pharma

Alexion sets aside \$25M to settle SEC's foreign bribery probe

by Eric Sagonowsky May 7, 2020 10:51am



Pharma

COVID drives demand for BMS' Eliquis but could hurt Opdivo sales

by Arlene Weintraub May 7, 2020 10:36am

GENERAL CONTACT NEWSLETTERS CONNECT

Home Advertise Subscribe

Privacy About Us Manage Subscriptions

Terms Of Use

RSS