

January 2, 2004

Miles D. White
CEO
Abbott Laboratories
Department 0392
Building AP6D
100 Abbott Park Road
Abbott Park, IL 60064

Dear Mr. White:

We write to you on behalf of the American Academy of HIV Medicine (the Academy), a national organization of medical providers for people living with HIV/AIDS. As an organization, we have grave concerns about your recent decision to “re-price” ritonavir at approximately a 400% increase.

Our 1,600 physician, nurse practitioner, and physician assistant members provide direct care to more than 275,000 HIV-infected patients. The Academy’s mission includes ensuring access to quality care for individuals living with AIDS and HIV disease. It is difficult to ensure access to adequate, let alone excellent care, when antiretroviral drug prices increase dramatically. The Academy therefore urges Abbott Laboratories to significantly reduce the re-pricing of ritonavir.

Ritonavir is used as a primary protease inhibitor (PI) and more critically widely used as a boosting agent. Ritonavir cannot be re-priced without drastic effects on the overall cost of antiretrovirals to public and private healthcare financing systems. While individual patients may not feel the direct impact of the ritonavir price increase, in the short term, many patients will be affected as the healthcare systems that provide financing for their care struggle to budget for these increased costs.

As an example, funding for the AIDS Drug Assistance Program (ADAP) has struggled to keep pace with demand. Program restrictions and waiting lists are growing. Recent deaths in West Virginia and Kentucky are directly attributable to these restrictions. The state ADAP programs collectively face a projected \$214 million shortfall through FY’04 and as much as \$350 million through FY’05. ADAPs are already considering mechanisms to reduce the total number of drugs prescribed in ARV regimens, examining the relative costs of different agents, and considering data to support the use of less expensive agents—considerations with frightening implications. We would hope Abbott would not persist in this action that requires the ADAPs and other healthcare financing systems to continue exploring such restrictive but fiscally necessary options.

The ADAP crisis, however, is only symptomatic of a larger struggle among all health care systems, both private and public, to contain soaring costs. Our nation now struggles with *double-digit percentage* increases each year in health care premiums alone with no perceived end in sight. In conversations with your representatives, we were asked to look at the aggregate cost of ritonavir and not at the percent increase in its price. In turn, we ask you to look at aggregate costs for healthcare financing systems and the ultimate restrictions in access for patients that will result from escalating drug costs. While the increase in the short-term may be cost-neutral to the patient, it is not cost-neutral to the system.

The concessions in your patient assistance programs do not negate the fact that any price increase will eventually pass costs on to the consumer via the struggling health care system—a system making difficult and desperate cuts in service every day. In addition, there is no justification for the administrative burden on the clinics caring for these patients created by any patient assistance program. The administrative costs to Abbott for this program should be shifted back to a price reduction for ritonavir.

Further, we are concerned about how your decision may affect the re-pricing of other antiretrovirals—both those produced by Abbott Laboratories and those produced by other manufacturers. As clinicians, it is true that historically we have made our decisions based more upon efficacy, tolerability, and adverse effect profiles and less on the price of therapy. As participating members of a larger care, research, education, and policy community committed to the health and equitable treatment of all people, including those with HIV, we must address cost issues. We participate in national and state ADAP committees, Medicare/Medicaid reform coalitions, Ryan White reauthorization activities, and other efforts to preserve the highest quality of care for the most reasonable cost. Sustainable access to therapy is a priority of our organization. This price increase, while not isolated, forces us to provide comment and further, to prepare for action.

Your regrettable decision to increase the price of one drug by 400% in the face of current desperate attempts to contain costs and expand access to those who depend upon these therapies is contemptible. Our members are extremely concerned about this decision and are asking us to take action. On behalf of our members, we strongly request that you reconsider your decision.

Sincerely,



Scott Hitt, MD
CEO, AAHIVM



Judith Feinberg, MD
Chair of the Board, AAHIVM



Howard Grossman, MD
Chair, Public Policy Committee, AAHIVM

cc: Jeff Devlin, HIV Marketing Director