

Pandemic profiteering: Gilead Sciences cashes in on COVID-19

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Pharmaceutical giant Gilead Sciences announced Monday that it will charge \$3,120 for a five-day course of its coronavirus therapeutic remdesivir for the vast majority of the US population, including those on Medicare and Medicaid. A single vial of remdesivir, containing a tenth of a gram of the drug, will cost \$520, a hundred times more expensive than its weight in gold.

This is nothing less than the extortion of the American public amid the COVID-19 pandemic. The price is estimated to be 400 times higher than what the drug needs to be profitable. Gilead is expected to make \$1.3 billion from private payers by the end of the year.

Gilead's announcement sends a clear message: American pharmaceutical companies plan to make billions off the COVID-19 pandemic, which has infected more than 10.5 million people and killed at least 513,000 worldwide. Notably, Wall Street surged 800 points over the past two days on the news.

The revulsion felt toward Gilead in the aftermath of its press release was put most forcefully by AIDS Health Foundation President Michael Weinstein. "Gilead Sciences unmasked itself today as both a war profiteer and greedy bastards—a depressing feat and spectacularly tone-deaf response to a global pandemic that has so far killed over half-a-million people worldwide, including more than 120,000 deaths in the US."

In an attempt to justify the company's price-gouging, Gilead Chairman and CEO Daniel O'Day released an open letter. Basing himself on data that was preliminary and not statistically significant, O'Day claimed that remdesivir "shortened time to recovery by an average of four days," which, according to him, saves hospitals "approximately \$12,000 per patient."

The company's executives thus generously "decided to price remdesivir well below this value." He

continued, "To ensure broad and equitable access at a time of urgent global need, we have set a price... which equates to \$2,340 per patient." In O'Day's opinion, this would allow "all patients [to] have access" to the therapeutic and balance the firm's "longer-term responsibilities."

The letter does not spell out what these "longer-term responsibilities" are, but they are not toward coronavirus patients. A report from the Institute for Clinical and Economic Review shows that the raw materials needed to make remdesivir cost only about \$10 for a ten-day treatment, and the therapeutic has been priced at \$600 by generic producers in Bangladesh and India, a quarter of the "broad and equitable" price boasted of by O'Day.

Moreover, while the cost of the therapeutic will be borne by their insurance for many millions in the United States, many millions more depend on the CARES Act funding for coronavirus treatments. They will have few options once that money pool runs dry, especially as even before the pandemic hit nearly 40 percent of the population was unable to afford an emergency \$400 expense, much less one that is six or eight times that amount.

In a rational world, Health and Human Services (HHS) Secretary Alex Azar would have demanded that Gilead end its blatant price-gouging immediately. Instead, he hailed the drug as "life-saving" and pledged HHS to buy up to \$1.56 billion worth of the drug.

Azar himself has many ties to the pharmaceutical industry. He was the president of the major drug enterprise Eli Lilly and Company before being tapped to be US President Donald Trump's HHS secretary. He was also a director of the lobbying group Biotechnology Innovation Organization. He has been denounced by whistleblower Rick Bright, the ousted

director of the government agency overseeing the development of a coronavirus vaccine, for seeking to downplay the pandemic when it first emerged in China in December and January.

It is also unclear whether remdesivir is actually effective in treating the novel coronavirus. Gilead had tested the efficacy of the remedy against the severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS) coronaviruses, which led the company to suspect it might work against the pandemic virus, SARS-CoV-2. Doctors in China began treating patients with it in January.

Since then, medical studies on remdesivir's effectiveness in treating COVID-19 have shown that it does not significantly reduce the death rate for those with the disease. Research by the National Institute of Allergy and Infectious Diseases (NIAID) in March and April concluded that, "given high mortality despite the use of remdesivir, it is clear that treatment with an antiviral drug alone is not likely to be sufficient." In that context, billions of dollars are being spent to acquire a drug that, by the science available, doesn't work.

The research did not stop National Institute of Allergy and Infectious Diseases (NIAID) Director Anthony Fauci from declaring, when the preliminary results were released: "The data shows that remdesivir has a clear-cut, significant positive effect in diminishing the time to recovery... We think it is opening the door to the fact that we now have the capability of treating [the coronavirus]."

Fauci's support helped drive Gilead's stock to new heights. Since the beginning of the year, the company's market capitalization has increased by \$20.1 billion to \$96.5 billion, largely by promoting remdesivir as an effective treatment for the pandemic. This mirrors the fortunes of drugmaker Moderna, which has grown by more than 200 percent to a net worth of nearly \$25 billion after proclaiming work on its own vaccine.

Moderna board member Moncef Slaoui, tapped by Trump to head the government's "warp speed" vaccine development drive, became \$2.4 million richer as a result of the media frenzy surrounding the announcement that Moderna had made progress toward a vaccine.

Beyond pumping up the share prices of the pharmaceutical giants, the media has promoted

remdesivir and Moderna's vaccine as "miracle drugs" to boost the campaign to get workers back on the job in factories and workplaces that have been hotbeds of COVID-19.

Wall Street sees the pandemic as a potential profit bonanza. The big banks and major corporations have received at least \$6 trillion since March in bailouts and are going to make billions more holding the American and world population hostage by overcharging for potentially lifesaving coronavirus treatments.

Gilead is only one example of the lawlessness of corporate enterprises in the United States. The recent past has seen the poisoning of Flint, two Boeing 737 Max crashes, the opioid epidemic fueled by the pharmaceutical giants and the California wildfires caused by PG&E. No executive has ever gone to jail for these crimes. As Barack Obama's attorney general told Congress in 2013, these modern-day robber barons are "too big to jail."

The disastrous response of American capitalism to the COVID-19 pandemic makes clear the need to put an end to capitalism and the subjugation of human health to private profit. This means mobilizing the entire working class to expropriate the pharmaceutical giants and every major industry and transform these monopolies into publicly-owned and democratically-controlled utilities. The dictatorship of corporate interests over the working class must be abolished and economic life must be placed in the hands of the workers themselves.



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