Abbott Laboratories Faces Heat Over Raising Price of AIDS Drug

By Leila Abboud

Abbott Laboratories is facing mounting pressure from activists, members of Congress and the federal government over its nearly fivefold price increase on its AIDS drug Norvir.

The National Institutes of Health will hold a public meeting in Washington May 25 to consider whether the federal government should exercise its rights, under a little-known law, to issue a license allowing cheaper, generic copies of Norvir to be made before the drug's patents expire.

On Tuesday, eight Democratic senators wrote a letter to the head of the NIH asking that an official from the Federal Trade Commission speak at the meeting about competitive issues raised by the price increase. The FTC declined to comment.

In December, Abbott Labs, based in North Chicago, Ill., raised the wholesale price for a month's worth of Norvir to $265 from $54.

Essential Inventions, the consumer advocacy group that requested the NIH meeting, argues that Norvir was developed with support from taxpayer funds and now is being sold at an unreasonable price. The group is urging the federal government to use its authority under the Bayh-Dole Act to allow others to make Norvir at lower cost, something that has never been done under the law.

Norvir is a protease inhibitor that hasn't been a lucrative seller for Abbott but is widely used in small doses to boost the potency of some AIDS combination-drug therapies. The price increase, Abbott Laboratories says, adjusts Norvir's cost to better reflect the drug's importance and value in treating HIV therapy. Jeffrey Leiden, the president of Abbott's pharmaceutical-products group, says Norvir is still the cheapest protease inhibitor.

The December price increase touched off protest from AIDS activists and physician groups who see it as a threat to patients' health. Activists protested at the company's offices and annual meeting, and filed civil lawsuits in state and federal court. Three state attorneys general are investigating, and the FTC received a complaint alleging that the price increase was anticompetitive.

Abbott has maintained the price increase was justified and said steps were being taken to make sure patients were still able to get the drug.

The central issue to be considered by the federal government is: Does the Norvir price increase represent an "unreasonable" use of the patent that limits public access to the drug? Abbott's Dr. Leiden says the move "in no way" reduced access to Norvir. "We took extraordinary measures to make sure that not a single patient was deprived of the drug," he said. The company says it has frozen the lower price for public programs that pay for AIDS drugs for low-income people, hasn't changed prices for Medicaid, and has made it easier for those without insurance to get Norvir free of charge.

THE WALL STREET JOURNAL.

THURSDAY, MAY 13, 2004 D7