

Congress outraged cure developed by VA scientist sells for \$1k a pill, out of reach to vets

Published time: 4 Feb, 2016 23:00

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424

A Hepatitis C treatment developed by one of Veterans Affairs' own research scientists is too expensive for the agency to actually use in treating veterans. US lawmakers probing the recent spike in prescription drug prices are furious.

At a hearing on the Veterans Administration's program for technology transfers on Wednesday, Congressmen [complained](#) that the VA cannot afford to use a 99-percent effective treatment for Hepatitis C, developed by a doctor who spent 30 years as a researcher for the agency – because it sells for \$1000 a pill.

"If I were you, I would be outraged," Rep. Mike Coffman (R-Colorado) said.

"Certainly the taxpayers should be outraged," added Rep. Ralph Abraham (R-Louisiana).

Coffman and Abraham were grilling the VA's Undersecretary for Health, David Shulkin, who came to [praise](#) the agency's program for promoting cooperation with scientists and engineers to develop technologies that could help treat conditions afflicting US veterans.

The agency supports over 2,000 research projects at over 100 medical centers around the US, with over \$1.8 billion in total resources available to researchers in fiscal year 2016, Shulkin told lawmakers.

At the heart of the controversy is Sofosbuvir, better known as Sovaldi. It was developed by Pharmasset, a company owned by Dr. Raymond F. Schinazi of Emory University in Atlanta, Georgia. In 2012, Schinazi sold Pharmasset to California-based Gilead Sciences for \$400 million, which went on to raise the price of the drug to \$1000 a pill. What's rubbing the lawmakers the wrong way is that Dr. Schinazi was the Senior Research Scientist at the VA in Atlanta when the drug was developed.

The retail price for a 12-week treatment with Sovaldi is \$84,000. Though the VA gets a 50 percent discount, it still can't afford to treat all the veterans dying of Hepatitis C infections they contracted during the Vietnam War.

In a 2013 trade publication, Dr. Schinazi said the full treatment cost only about \$1,400 to manufacture – less than 2 percent of its current retail price. The World Health Organization has placed Sofosbuvir on its [list of essential medication](#).

Dr. Schinazi was not present at Wednesday's hearing. Asked about him, Shulkin said the doctor had retired from the VA after nearly 30 years of service.

"The person that's responsible always seems to retire before the investigation starts," Rep. Coffman said.

"Is it bureaucratic incompetence or is it corruption, or is it a combination of the two?" Coffman asked Shulkin. *"This wasted resource is why this nation is unable to take care of the men and women who have served this country in uniform."*

When [asked about it](#) by CBS News in December last year, the Egyptian-born doctor said he only worked for the government 7/8ths of the time, and spent the rest on private pursuits.

"I'm very efficient," he said.

Asked if anyone from the government had questioned the arrangement that allowed him to become incredibly wealthy off his research patents while working primarily for the government, Schinazi replied that *"Nobody had questioned anything yet."*

Federal employees are allowed to invest in private companies, *"provided all conflict of interest rules are followed,"* the VA told CBS in a statement at the time.