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June 15, 2021

Michel Vounatsos
Chief Executive Officer
Biogen
225 Binney Street
Cambridge, MA 02142

Dear Mr. Vounatsos,

Congratulations on Biogen's recent FDA approval of Aduhelm. While the scientific community continues to assess its efficacy, I share your hope that Aduhelm will provide meaningful benefits to our fellow citizens and their families who are affected by Alzheimer's.

As a strong supporter of our Medicare program and an advocate for affordable as well as accessible health care, I am shocked at the price Biogen set for Aduhelm. At \$56,000 annually (or \$59,360 with the added 6% reimbursement), Biogen's price poses a financial threat to the stability of our Medicare program and will inflict increased premiums on employees, employers who provide health care, and on the millions of Medicare beneficiaries whose median income is \$29,650.

I have two questions.

First, how did Biogen justify a \$56,000 list price? As you know, the respected Institute for Clinical and Economic Review (ICER) estimated that a reasonable price for Aduhelm would be between \$2,500 and \$8,300. The highest estimated price by industry-friendly Wall Street analysts for Aduhelm was \$24,000 per year. Please provide specifics – what information did Biogen rely on and what analysis did it complete – as to how Biogen set the \$56,000 price.

Second, did Biogen consider the list price impact on taxpayers, employers, individuals, and Medicare beneficiaries? If so, specifically how? As you know, the majority of Americans suffering from Alzheimer's— more than 6 million people—are Medicare beneficiaries. If only one-sixth of those sick receive Aduhelm, the cost to the Medicare Part B drug program would be \$56 billion annually. In 2019, the total amount of spending for all Part B drugs was only \$37 billion, so Biogen's price for one drug and one treatment would cost nearly \$20 billion more than the entire existing Medicare Part B drug program for all beneficiaries.

Additionally, Biogen's price will put access to Aduhelm out of reach for Medicare beneficiaries who don't have supplemental coverage. These patients would be responsible for an annual \$11,000 out-of-pocket expense, well beyond what they can afford with a median income of \$29,650.

The pharmaceutical industry has helped create life-extending and pain-relieving medications that have improved the quality of life for us and the people we love. It has done this with research and organizational efforts. But it has also benefited immensely from taxpayer and government support, including:

- Protection of its intellectual property through the patent system;
- Billions of dollars in taxpayer-funded research to help develop new medicines; and
- A guaranteed bulk purchase of its products through the Medicare and Medicaid programs.

Biogen has abused the pricing power that it holds, making the promise of this drug unreachable for many of the 6 million people living with Alzheimer's, while pushing Medicare closer to financial disaster. Please provide Biogen's justification for a \$56,000 list price for Aduhelm. I look forward to hearing from you.

Sincerely,



PETER WELCH
Member of Congress