



April 4, 2022

Ms. Rachel Gonzales-Hanson  
Interim President and Chief Executive Officer  
National Association of Community Health Centers  
7501 Wisconsin Avenue Suite 1100W  
Bethesda, MD 20814

Dear Ms. Gonzales-Hanson,

Thank you for your recent letter about Gilead's Contract Pharmacy Integrity Initiative.

We strongly support the work of Community Health Centers in treating and caring for patients across the United States, and have successfully partnered in increasing access to the treatment of hepatitis C. However, we are concerned with the assertions made in your recent letter, which seem to represent a misunderstanding of this integrity initiative. Gilead has a longstanding commitment to ensuring that all patients who would benefit from our medicines can access them. We provide additional information in this letter to clarify the purpose of our Contract Pharmacy Integrity Initiative.

Contrary to your assertion, Gilead does not intend to restrict shipments to 340B contract pharmacies – we are simply requesting that 340B covered entities provide claims level data for units of Gilead's branded hepatitis C products dispensed from contract pharmacies. Your members will always be able to access 340B pricing through in-house pharmacies, and Community Health Centers will continue to be able to use the contract pharmacies of their choosing if they register and submit data to 340BESP™. Covered entities that decide not to participate in this integrity program, and do not have an in-house pharmacy, will have the option to select a single contract pharmacy location. In addition, the integrity program does not apply to authorized generics of Eplclusa® and Harvoni® offered by our subsidiary, Asegua Therapeutics, which are hepatitis C products used extensively by Community Health Centers today.

In your letter you mention the importance of the role that Federally Qualified Health Centers play in providing care for underserved and rural communities, and how health centers rely on the 340B program. Gilead has implemented this Contract Pharmacy Integrity Initiative to help improve transparency and sustainability of the 340B program. The 340B program has grown rapidly in recent years, and a well-documented lack of oversight has elevated concerns among stakeholders about the program's integrity and sustainability. Over time, we have seen an increase in duplicate discounts and diversion, particularly for our branded hepatitis C medicines distributed through contract pharmacies.

Sharing of claims level data with manufacturers is a necessary step toward achieving greater transparency. The claims level data being requested is similar to the data Gilead receives from other purchasers and payers and is tailored to minimize burdens on covered entities while mitigating duplicate discount and diversion concerns.



We would be pleased to work with you and your membership to provide any needed technical assistance to share data.

Sincerely,

Jason Krings  
Vice President, Managed Markets Strategy & Operations  
Gilead Sciences, Inc.