



PRESS RELEASE

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AIDS Activists Outraged by Abbott Settlement with AIDS Healthcare Foundation

(NEW YORK, July 16) — The news of a settlement reached between Abbott Laboratories and California-based AIDS Healthcare Foundation (AHF) in two lawsuits drew fire from the AIDS Treatment Activists Coalition (ATAC). The lawsuits were filed by AHF in response to a 400% price increase last December by Abbott for its drug Norvir, a protease inhibitor used to treat HIV but more commonly used now in small doses to help make other HIV drugs more potent. As part of the settlement, Abbott will not reduce the price of Norvir, but will instead contribute to treatment programs run by AHF in the US and Africa.

“This was a carefully orchestrated sell-out by AHF,” said Thomas Gegeny, Executive Director of The Center for AIDS in Houston and an ATAC member. “As far as the HIV/AIDS community is concerned, the issue of Abbott’s unprecedented price increase for Norvir is not settled, nor will it be settled until the price is lowered to its former value. There are several other lawsuits and investigations pending, and the community’s pressure on Abbott will not abate.”

Martin Delaney, founder of Project Inform in San Francisco and also a member of ATAC, noted “The behavior of both AHF and Abbott should come as no surprise in this matter. AHF has a history of bargaining for its own interests to the exclusion of those in the community as a whole. Abbott is simply taking advantage of the opportunity to buy off one avenue of criticism, without

addressing the wider problems created by the price increase. The net effect is that people are being forced, through the Norvir price increase, to fund AHF's programs—without their consent.”

Abbott's price hike has sparked a furor among activists, but also healthcare providers, most notably members of the American Academy of HIV Medicine (AAHIVM) and the HIV Medicine Association (HIVMA). A physician-led boycott of Abbott research, consultation fees, and in some cases products has ensued. In May, the National Institutes of Health held hearings on whether or not Abbott's patent on Norvir should be released to allow for generic versions of Norvir to be produced under the Bayh-Dole Act. More recently, the Food and Drug Administration issued a warning to Abbott about its marketing materials depicting Norvir as the lowest priced drug in its class because of the low dose now so commonly used, but which in itself offers no anti-HIV activity. Further, probes against the company by Attorneys General in New York and Illinois are still pending as are a class action filed in California and a complaint filed with the Federal Trade Commission.

“Despite the half-hearted and self-promoting efforts of AHF, the HIV/AIDS community will not cease its efforts to bring Abbott's injustice and disease profiteering to the center spotlight of what is fast becoming an inflammatory debate on the future of healthcare in the US,” Gegeny said. “With any luck, the Norvir price hike will become a textbook example of what pharmaceutical companies should not do and may even push the envelope further toward reasonable price controls for lifesaving medications in the US.”

The AIDS Treatment Activists Coalition (www.atac-usa.org) is a national coalition of AIDS activists, many living with HIV/AIDS, working together to end the AIDS epidemic by advancing research on HIV/AIDS.

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