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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

KEITH B. ASHDOWN, STAFF DIRECTOR  
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September 23, 2015

Mr. J. Michael Pearson  
Chairman of the Board and Chief Executive Officer  
Valeant Pharmaceuticals International Inc.  
400 Somerset Corporate Blvd.  
Bridgewater, NJ 08807

Dear Mr. Pearson:

At the Permanent Subcommittee on Investigations hearing held on July 30, 2015, I questioned Howard B. Schiller, former Chief Financial Officer of Valeant, regarding Valeant's dramatic increase in the price of Isuprel, a medication used to treat cardiac arrest.<sup>1</sup> When asked to explain Valeant's justification for increasing the price of Isuprel in February 2015 from \$215 per vial to \$1,346 per vial, Mr. Schiller stated only that Valeant had continued previous work "looking at the benefits of this drug to the system, to patients, to hospitals, and the conclusion was that it was significantly underpriced."<sup>2</sup> Following the hearing, Mr. Schiller approached me and expressed his willingness to cooperate with the Subcommittee on this issue and specifically to provide further information on Valeant's pricing decision for Isuprel.

On August 14, 2015, I sent a list of questions for the record to Mr. Schiller concerning Valeant's increase in the price of Isuprel. I also asked questions regarding Nitropress, a medication for which Valeant raised the price per vial from \$257.80 to \$805.61 in February 2015. In response to my questions for the record, Valeant failed to provide any explanation for the dramatic increases in the price of Isuprel and Nitropress. Instead, counsel for Valeant merely reiterated that a company analysis had "concluded that the drugs were significantly underpriced."<sup>3</sup>

Given Valeant's failure to respond substantively to the August 14, 2015, questions for the record, I request that Valeant respond to my questions, which are attached as Schedule A to this letter. I ask that Valeant respond with the requested information as soon as possible, but in no event later than October 14, 2015.

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<sup>1</sup> Senate Permanent Subcommittee on Investigations, *Hearing on the Impact of the U.S. Tax Code on the Market for Corporate Control and Jobs*, 114th Cong. (July 30, 2015).

<sup>2</sup> *Id.*

<sup>3</sup> Letter from Armando Gomez, Skadden, Arps, Slate, Meagher & Flom LLP, to the Permanent Subcommittee on Investigations (Sept. 11, 2015).

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Please have your staff contact Brandon Reavis with the Subcommittee at (202) 224-9505 with any questions. Please send any official correspondence related to this request to [Kelsey\\_Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Ranking Member  
Permanent Subcommittee on Investigations

Enclosure

cc: Rob Portman  
Chairman  
Permanent Subcommittee on Investigations

## SCHEDULE A

1. Please provide the price increases that Valeant implemented after buying the rights to Isuprel and Nitropress and the dates on which such price increases took effect.
2. Please describe in detail any formal or informal analyses performed by Valeant that informed its decision to raise the prices of Isuprel, including a description of any financial and non-financial factors that contributed to the company's decision. Please provide copies of these analyses.
3. Please describe in detail any formal or informal analyses performed by Valeant that informed its decision to raise the price of Nitropress, including a description of any financial and non-financial factors that contributed to the company's decision. Please provide copies of these analyses.
4. Did Valeant engage a third party to perform any formal or informal analyses that informed its decision to raise the price of Isuprel? If Valeant did engage such a third party, please provide the following:
  - a. the name of the third party; and
  - b. any analyses Valeant received from the third party related to Isuprel.
5. Did Valeant engage a third party to perform any formal or informal analyses that informed its decision to raise the price of Nitropress? If Valeant did engage such a third party, please provide the following:
  - a. the name of the third party; and
  - b. any analyses Valeant received from the third party related to Nitropress.
6. Please identify the Valeant official(s) responsible for setting the price of Isuprel.
7. Please identify the Valeant official(s) responsible for setting the price of Nitropress.
8. At the hearing, you explained that Valeant's increase in the price of Isuprel did not result in an increase in the price of the protocol of which Isuprel is a part. Please explain in detail why Valeant's increase in the price of Isuprel did not affect the price of this protocol and provide documents to support this assertion.
9. Please provide the total gross revenue generated by Valeant from the sale of Isuprel since the company acquired the rights to the drug.
10. Please provide the amount of gross revenue generated by Valeant from sales of Isuprel to the U.S. Department of Veterans Affairs, if any, since the company acquired the rights to the drug.
11. Please provide the total gross revenue generated by Valeant from the sale of Nitropress since the company acquired the rights to the drug.

12. Please provide the amount of gross revenue generated by Valeant from sales of Nitropress to the U.S. Department of Veterans Affairs, if any, since the company acquired the rights to the drug.
13. Please provide Valeant's total expenses related to the sale of Isuprel, including the amounts spent on manufacturing and the purchase of active pharmaceutical ingredients for the drug.
14. Please provide Valeant's total expenses related to the sale of Nitropress, including the amounts spent on manufacturing and the purchase of active pharmaceutical ingredients for the drug.
15. Please provide a detailed description of any material changes Valeant has made to Isuprel since purchasing the drug from Marathon Pharmaceuticals. Please provide documents to support your response.
16. Please provide a detailed description of any material changes Valeant has made to Nitropress since purchasing the drug from Marathon Pharmaceuticals. Please provide documents to support your response.
17. Does Hospira, Inc. continue to manufacture Isuprel? If so, please provide any contracts between Valeant and Hospira relating to the supply or manufacture of Isuprel.
18. Does Hospira, Inc. continue to manufacture Nitropress? If so, please provide any contracts between Valeant and Hospira relating to the supply or manufacture of Nitropress.
19. Please provide any contracts in Valeant's possession related to the purchase of any active pharmaceutical ingredient in Isuprel.
20. Please provide any contracts in Valeant's possession related to the purchase of any active pharmaceutical ingredient in Nitropress.
21. Please provide the name of any pharmaceutical product, including products Valeant has sold to other companies, for which Valeant has increased the average wholesale price by more than 100% since 2013, regardless of the number of individual price increases taken by Valeant. With respect to any such pharmaceutical product, please provide the individual price increases made by Valeant for the product and the dates on which such price increases took effect.
22. Please identify the dates on which the last effective "blocking patents" for Isuprel and Nitropress expired.