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Utah Department of Commerce
Division of Consumer Protection
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To whom it may concern:

On behalf of Alliance for a Better Utah, I would like to report an instance of price gouging stemming from the State of Utah's recent purchase of 20,000 courses of treatment of antimalarial drugs from Meds in Motion for \$800,000. Based on reporting, the Utah Department of Health also recently ended negotiations for an additional 200,000 courses of the same drugs for \$8,000,000, the same price per course as the prior purchase.

The CEO and founder of Meds in Motion, Dan Richards, has been publicly advocating the use of chloroquine and hydroxychloroquine to treat COVID-19 and actively lobbying the state to purchase the drugs from his company. According to reporting conducted by The Salt Lake Tribune's Robert Gehrke, the cost of these drugs purchased by the state was inflated by more than 600% at \$40 per course (seven tablets).¹

From our own examination of hydroxychloroquine prices on GoodRx conducted on Monday, April 27, 2020, 60 tablets could be purchased with a free GoodRx discount for \$14.95 at Smith's Pharmacy.² Even while paying cash without the GoodRx discount, the price for 60 tablets is an average of \$176.91. At \$5.71 per tablet, the price from Meds in Motion is almost double the non-discounted price for these drugs (\$2.95 per tablet) and almost ten times the price of these drugs for most consumers (\$0.25 per tablet).

¹ <https://www.sltrib.com/news/2020/04/26/robert-gehrke-not-only/>

² <https://www.goodrx.com/hydroxychloroquine>

Below is a timeline of the developments surrounding the purchase:

- March 20, 2020 - Meds in Motion CEO Dan Richards appears in a press conference with Senate President Adams, advocating for the use of hydroxychloroquine and chloroquine to treat COVID-19.³
- March 23, 2020 - The Deseret News reports Richards spent \$1 million stockpiling the ingredients used to compound hydroxychloroquine and chloroquine.⁴
- April 13, 2020 - The Salt Lake Tribune reports Richards has been lobbying state leaders to develop a plan to distribute his antimalarial drugs to local pharmacies statewide.⁵

“While there’s plenty of research left to do on the medication, Richards argues the cost of doing nothing outweighs the potential risks of making the drugs accessible. Fear is immobilizing the economy, he argues, and prolonging the freeze will only compound the damage done by COVID-19.

“The economy is dying,” he said. “So, what good is it to survive the virus and have the economy die?”⁶

- April 14, 2020 - The Salt Lake Tribune reports Senate President Adams stating that state officials have been in talks with Richards to purchase the drugs.⁷
- April 17, 2020 - The Utah Legislature passes a “right to try” bill that would allow patients the option to try antimalarial drugs to treat COVID-19, while granting civil immunity for health care professionals who prescribe the drug and exempting insurance companies from covering harm incurred as a side effect.⁸
- April 17, 2020 - The Utah Legislature passes a COVID-19 appropriations bill setting aside \$2 million in state funding for a drug stockpile.^{9,10}
- April 23, 2020 - The Deseret News reports that an invoice shows Utah purchased 20,000 medication packs of chloroquine, zinc and hydroxychloroquine at \$40 each on March 31, 2020.¹¹
- April 23, 2020 - The Utah Legislature appropriates \$6 million of federal funds toward the additional purchase of antimalarial drugs.^{12,13}

³ <https://www.sltrib.com/news/2020/03/20/utah-officials-say-two/>

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<https://www.deseret.com/utah/2020/3/23/21191657/coronavirus-covid-19-hydroxychloroquine-chloroquine-malaria-treatment-utah>

⁵ <https://www.sltrib.com/news/politics/2020/04/13/pharmacist-whos-amassed/>

⁶ Id.

⁷ <https://www.sltrib.com/news/politics/2020/04/15/utah-bill-would-clear-way/>

⁸ <https://le.utah.gov/~2020S3/bills/static/SB3002.html>

⁹ <https://le.utah.gov/~2020S3/bills/static/SB3001.html>

¹⁰ <https://www.sltrib.com/news/politics/2020/04/23/utah-has-already-ordered/>

¹¹

<https://www.deseret.com/utah/2020/4/23/21232945/utah-coronavirus-drugs-stockpile-malaria-hydroxychloroquine-unproven>

¹² <https://le.utah.gov/~2020S4/bills/static/HB4001.html>

- April 24, 2020 - Governor Herbert announces the state will abandon its plans to purchase additional antimalarial drugs, and suggested the state should get its money back for the 20,000 courses of treatment already purchased.¹⁴
- April 26, 2020 - Robert Gehrke reports for the Salt Lake Tribune that the state's \$800,000 purchase of antimalarial drugs was inflated by more than 600% over market value.¹⁵

Publicly available contact information for Meds in Motion is available on their website at <https://www.medsinmotion.com/contact.php>. Their general phone line is (855) 506-6999, and their email is questions@medsinmotion.com.

Price gouging is an exploitative and unethical practice, especially during a time of crisis or emergency. This is even more true when the goods in question are medications. We believe that this attempt to take advantage of a crisis to exploit the use of taxpayer funds should be investigated so that this does not occur again in the future.

Thank you for taking this matter seriously and for all that you do in the service of our state.

Sincerely,



Chase Thomas
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¹³ <https://www.sltrib.com/news/politics/2020/04/23/utah-has-already-ordered/>

¹⁴ <https://www.sltrib.com/news/politics/2020/04/24/herbert-says-state-will/>

¹⁵ <https://www.sltrib.com/news/2020/04/26/robert-gehrke-not-only/>