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United States Senate

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1550 MAIN STREET, 4TH FLOOR Springfield, MA 01103 413-785-4610

January 19, 2022

Doug McMillon President and CEO Walmart, Inc. 702 S.W. 8th Street Bentonville, AR 72716

Dear Mr. McMillon,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Walmart sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Walmart to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.¹ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,² a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

¹ In Boston and in Washington, Wu and Biden both promise to help break coronavirus testing logjam, Boston Globe (Jan. 4, 2022), <u>https://www.bostonglobe.com/2022/01/04/metro/biden-wu-promise-help-break-testing-logjam/;</u> Ted Wayman, *Delivery of 227,000 rapid COVID-19 tests for school employees begins in Massachusetts*, WCVB (Jan. 1, 2022), <u>https://www.wcvb.com/article/rapid-covid-19-tests-for-school-employees-january-1-2022/38649607#</u>.

² Sharon Terlap, *Walmart, Kroger Raise Prices of Covid-19 Test Kits*, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476. individuals for the cost of rapid tests they purchase,³ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.⁴ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.⁵ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.⁶

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.⁷ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

³ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

⁴ Lydia DePillis and Eric Umansky, *Here's Why Rapid COVID Tests Are So Expensive and Hard to Find*, ProPublica (Nov. 4, 2021), <u>https://www.propublica.org/article/heres-why-rapid-covid-tests-are-so-expensive-and-hard-to-find</u>.

⁵ Remarks by President Biden on Fighting the COVID-19 Pandemic (Sep. 9, 2021), <u>https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/09/remarks-by-president-biden-on-fighting-the-covid-19-pandemic-3/</u>.

⁶ Walmart, Kroger Raise Prices of Covid-19 Test Kits, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

⁷ Molly Kinder, Laura Stateler, & Julia Du, *Windfall profits and deadly risks*, Brookings (Nov. 2020), <u>https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/</u>.

- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 2. What is the average retail price per unit your company currently charges for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

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January 19, 2022

Andy Jassy President and CEO Amazon.com, Inc. 410 Terry Avenue North Seattle, WA 98109

Dear Mr. Jassy,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Amazon.com sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Amazon.com to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.⁸ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,⁹ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

⁸ In Boston and in Washington, Wu and Biden both promise to help break coronavirus testing logjam, Boston Globe (Jan. 4, 2022), <u>https://www.bostonglobe.com/2022/01/04/metro/biden-wu-promise-help-break-testing-logjam/;</u> Ted Wayman, *Delivery of 227,000 rapid COVID-19 tests for school employees begins in Massachusetts*, WCVB (Jan. 1, 2022), <u>https://www.wcvb.com/article/rapid-covid-19-tests-for-school-employees-january-1-2022/38649607#</u>.

⁹ Sharon Terlap, *Walmart, Kroger Raise Prices of Covid-19 Test Kits*, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476. individuals for the cost of rapid tests they purchase,¹⁰ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.¹¹ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.¹² However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.¹³

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.¹⁴ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

¹⁰ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

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¹² Remarks by President Biden on Fighting the COVID-19 Pandemic (Sep. 9, 2021), <u>https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/09/remarks-by-president-biden-on-fighting-the-covid-19-pandemic-3/</u>.

¹³ Walmart, Kroger Raise Prices of Covid-19 Test Kits, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

¹⁴ Molly Kinder, Laura Stateler, & Julia Du, *Windfall profits and deadly risks*, Brookings (Nov. 2020), <u>https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/</u>.

- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 2. What is the average retail price per unit your company currently charges for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

COMMITTES: Environment and Public Works CHAIR: Subcommittee on Clean Air, Climate, and Nuclear Safety Foreign Relations CHAIR: Subcommittee on East Asia, the Pacific, and International Cybersecurity Policy Commerce, Science, and Transportation Small Business and Entrepreneurship CHAIR: U.S. Senate Climate Change Task Force

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January 19, 2022

Rodney McMullen Chairman and CEO Kroger, Inc. 1014 Vine Street Cincinnati, OH 45202

Dear Mr. McMullen,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Kroger sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Kroger to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.¹⁵ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,¹⁶ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

¹⁵ In Boston and in Washington, Wu and Biden both promise to help break coronavirus testing logjam, Boston Globe (Jan. 4, 2022), <u>https://www.bostonglobe.com/2022/01/04/metro/biden-wu-promise-help-break-testing-logjam/</u>; Ted Wayman, *Delivery of 227,000 rapid COVID-19 tests for school employees begins in Massachusetts*, WCVB (Jan. 1, 2022), <u>https://www.wcvb.com/article/rapid-covid-19-tests-for-school-employees-january-1-</u>2022/38649607#.

¹⁶ Sharon Terlap, *Walmart, Kroger Raise Prices of Covid-19 Test Kits*, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

individuals for the cost of rapid tests they purchase,¹⁷ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.¹⁸ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.¹⁹ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.²⁰

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.²¹ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

¹⁷ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

¹⁸ Lydia DePillis and Eric Umansky, *Here's Why Rapid COVID Tests Are So Expensive and Hard to Find*, ProPublica (Nov. 4, 2021), <u>https://www.propublica.org/article/heres-why-rapid-covid-tests-are-so-expensive-and-hard-to-find</u>.

¹⁹ Remarks by President Biden on Fighting the COVID-19 Pandemic (Sep. 9, 2021), <u>https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/09/remarks-by-president-biden-on-fighting-the-covid-19-pandemic-3/</u>.

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- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
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- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

COMMITTEES: ENVIRONMENT AND PUBLIC WORKS CHAIR: SUBCOMMITTEE ON CLEAN AIR, CLIMATE, AND NUCLEAR SAFETY FOREIGN RELATIONS CHAIR: SUBCOMMITTEE ON EAST ASIA, THE PACIFIC, AND INTERNATIONAL CYBERSECURITY POLICY COMMERCE, SCIENCE, AND TRANSPORTATION SMALL BUSINESS AND ENTREPRENEURSHIP CHAIR: U.S. SENATE CLIMATE CHANGE TASK FORCE

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January 19, 2022

Karen S. Lynch President and CEO CVS Health One CVS Drive Woonsocket, RI 02895

Dear Ms. Lynch,

I write to seek assurances that the at-home rapid COVID-19 antigen tests CVS Health sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on CVS Health to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.²² But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,²³ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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²³ Sharon Terlap, *Walmart, Kroger Raise Prices of Covid-19 Test Kits*, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

individuals for the cost of rapid tests they purchase,²⁴ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.²⁵ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.²⁶ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.²⁷

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.²⁸ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

²⁴ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

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- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

COMMITTEES: Environment and Public Works CHAIR: Subcommittee on Clean Air, Climate, and Nuclear Safety Foreign Relations CHAIR: Subcommittee on East Asia, the Pacific, and International Cybersecurity Policy Commerce, Science, and Transportation Small Business and Entrepreneurship CHAIR: U.S. Senate Climate Change Task Force

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January 19, 2022

Rosalind Brewer CEO Walgreens Boots Alliance 200 Wilmot Road Deerfield, IL 60015

Dear Ms. Brewer,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Walgreens Boots Alliance sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Walgreens Boots Alliance to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.²⁹ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,³⁰ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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³⁰ Sharon Terlap, *Walmart, Kroger Raise Prices of Covid-19 Test Kits*, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

individuals for the cost of rapid tests they purchase,³¹ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.³² In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.³³ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.³⁴

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.³⁵ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

³¹ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

³² Lydia DePillis and Eric Umansky, *Here's Why Rapid COVID Tests Are So Expensive and Hard to Find*, ProPublica (Nov. 4, 2021), <u>https://www.propublica.org/article/heres-why-rapid-covid-tests-are-so-expensive-and-hard-to-find</u>.

³³ Remarks by President Biden on Fighting the COVID-19 Pandemic (Sep. 9, 2021), <u>https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/09/remarks-by-president-biden-on-fighting-the-covid-19-pandemic-3/</u>.

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³⁵ Molly Kinder, Laura Stateler, & Julia Du, *Windfall profits and deadly risks*, Brookings (Nov. 2020), <u>https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/</u>.

- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 2. What is the average retail price per unit your company currently charges for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

COMMITTEES: Environment and Public Works CHAIR: Subcommittee on Clean Air, Climate, and Nuclear Safety Foreign Relations CHAIR: Subcommittee on East Asia, the Pacific, and International Cybersecurity Policy Commerce, Science, and Transportation Small Business and Entrepreneurship CHAIR: U.S. Senate Climate Change Task Force

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1550 MAIN STREET, 4TH FLOOR Springfield, MA 01103 413-785-4610

January 19, 2022

Heyward Donigan President and CEO Rite Aid Corporation 30 Hunter Lane Camp Hill, PA 17011

Dear Ms. Donigan,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Rite Aid sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Rite Aid to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.³⁶ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,³⁷ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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individuals for the cost of rapid tests they purchase,³⁸ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.³⁹ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.⁴⁰ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.⁴¹

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.⁴² They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

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- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 2. What is the average retail price per unit your company currently charges for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

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1550 MAIN STREET, 4TH FLOOR Springfield, MA 01103 413-785-4610

January 19, 2022

Kathryn McLay President and CEO Sam's Club 2101 SE Simple Savings Drive Bentonville, AR 72716

Dear Ms. McLay,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Sam's Club sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Sam's Club to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.⁴³ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,⁴⁴ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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individuals for the cost of rapid tests they purchase,⁴⁵ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.⁴⁶ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.⁴⁷ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.⁴⁸

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.⁴⁹ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

⁴⁵ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

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⁴⁶ Lydia DePillis and Eric Umansky, *Here's Why Rapid COVID Tests Are So Expensive and Hard to Find*, ProPublica (Nov. 4, 2021), <u>https://www.propublica.org/article/heres-why-rapid-covid-tests-are-so-expensive-and-hard-to-find</u>.

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- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
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- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

Edward J. Markey United States Senator

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1550 MAIN STREET, 4TH FLOOR Springfield, MA 01103 413-785-4610

January 19, 2022

Brian Cornell Chairman and CEO Target, Inc. 1000 Nicollet Mall TPS-3165 Minneapolis, MN 55403

Dear Mr. Cornell,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Target sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Target to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.⁵⁰ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,⁵¹ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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individuals for the cost of rapid tests they purchase,⁵² many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.⁵³ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.⁵⁴ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.⁵⁵

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.⁵⁶ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

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Edward J Markey

Edward J. Markey United States Senator

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1550 MAIN STREET, 4TH FLOOR SPRINGFIELD, MA 01103 413-785-4610

January 19, 2022

W. Craig Jelinek President and CEO Costco Wholesale Corporation 999 Lake Drive Issaquah, WA 98027

Dear Mr. Jelinek,

I write to seek assurances that the at-home rapid COVID-19 antigen tests Costco sells are affordable to Americans who need them. As the Omicron variant causes a surge in COVID-19 cases and more Americans seek rapid at-home testing, consumers must not face prohibitive prices for these testing kits. As a major retailer of at-home rapid COVID-19 antigen tests, your company has a responsibility to ensure that its price for these tests is fair, reasonable, and economical to those who need them during this public health emergency. I call on Costco to sell at-home rapid COVID-19 antigen tests at cost through the duration of the public health emergency.

At-home testing is vital for identifying illness and stopping the spread of COVID-19. Officials at all levels of government are working to secure access to at-home tests, including distributing them to the public at no charge and providing them to schools and employers.⁵⁷ But access to at-home rapid COVID-19 antigen tests should not be limited to those able to secure them for free or those who can afford to pay the high prices currently charged for them.

The cost of at-home tests can pose a significant barrier to access. For example, at a retail price of roughly \$24.00 for a two-test kit,⁵⁸ a family of four would spend approximately \$50 every time it needs to test — hundreds of dollars a month assuming weekly testing. While the federal government works to distribute free rapid tests, and has recently required insurers to reimburse

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individuals for the cost of rapid tests they purchase,⁵⁹ many must still pay these costs out-ofpocket. For the millions of Americans concerned about their health, trying to protect friends and family from infection, or in need of a negative test for work, travel, or child care, these prices are simply too high.

I am particularly concerned that the cost of at-home rapid COVID-19 antigen tests sold at your stores and online marketplaces may be significantly and unreasonably marked-up from the wholesale cost of purchasing these tests from manufactures and wholesalers.⁶⁰ In September 2021, several major retailers reached an agreement with the federal government to sell rapid COVID-19 antigen tests "at cost," which meant consumers paid lower prices for these products.⁶¹ However, following the expiration of this agreement in December 2021, these retailers raised prices by as much as 40 percent.⁶²

Since the start of the COVID-19 pandemic, major retailers and pharmacies have seen significant revenue growth and profits.⁶³ They were able to reap those benefits while the agreement to sell rapid COVID-19 antigen tests at cost was in effect. It, therefore, seems apparent that retailers can keep the price consumers pay for these at-home tests low and remain profitable. In this time of uncertainty and need, it is unacceptable that U.S. consumers face costs of \$12 or more for each at-home rapid COVID-19 antigen test. As we face an unprecedented wave of COVID cases, manufacturers and retailers must do more to ensure consumers see reasonable prices for these tests. I call on your company to voluntarily agree to sell them at cost through the end of the COVID-19 public health emergency.

⁵⁹ Shannon Pettypiece, *Biden administration to make 500 million at-home Covid tests available for free*, NBC News (Dec. 21, 2021), <u>https://www.nbcnews.com/politics/white-house/biden-administration-make-500-million-home-covid-tests-available-free-n1286356</u>; Press Release, Department of Health and Human Services, *Biden-Harris*

Administration Requires Insurance Companies and Group Health Plans to Cover the Cost of At-Home COVID-19 Tests, Increasing Access to Free Tests (Jan. 10, 2022), https://www.hhs.gov/about/news/2022/01/10/biden-harrisadministration-requires-insurance-companies-group-health-plans-to-cover-cost-at-home-covid-19-tests-increasingaccess-free-tests.html.

⁶⁰ Lydia DePillis and Eric Umansky, *Here's Why Rapid COVID Tests Are So Expensive and Hard to Find*, ProPublica (Nov. 4, 2021), <u>https://www.propublica.org/article/heres-why-rapid-covid-tests-are-so-expensive-and-hard-to-find</u>.

⁶¹ Remarks by President Biden on Fighting the COVID-19 Pandemic (Sep. 9, 2021), <u>https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/09/remarks-by-president-biden-on-fighting-the-covid-19-pandemic-3/</u>.

⁶² Walmart, Kroger Raise Prices of Covid-19 Test Kits, Wall St. J. (Jan. 5, 2022), https://www.wsj.com/articles/walmart-kroger-raise-prices-of-covid-19-test-kits-11641320476.

⁶³ Molly Kinder, Laura Stateler, & Julia Du, *Windfall profits and deadly risks*, Brookings (Nov. 2020), <u>https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/</u>.

- 1. What is the average wholesale price per unit your company currently pays for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 2. What is the average retail price per unit your company currently charges for rapid COVID-19 antigen tests? How has that price fluctuated during the pandemic?
- 3. What steps aside from an agreement with the federal government has your company taken to keep costs to consumers low for rapid COVID-19 antigen tests?
- 4. Have you communicated with the federal government about any issues related to obtaining supplies of rapid COVID-19 antigen tests to sell to consumers?

Edward J Markey

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