

Experts call for fair vaccine pricing, not 'random acts of charity'

November 23 2016



Credit: National Cancer Institute

Drug companies should stop using donations to atone those who cannot afford expensive vaccines and instead lower prices, argue experts in *The BMJ* today.

It follows a recent decision by Médecins Sans Frontières (MSF) to refuse a donation of one million doses of Pfizer's [pneumonia vaccine](#) for

children caught in humanitarian emergencies. MSF judged it more important to press the company to lower the price that is the main obstacle to access.

Pfizer has since announced a special price for the vaccine to humanitarian organisations, in line with GSK, the other producer of this type of vaccine.

But in an editorial published today, Els Torreele at the Open Society Foundations in New York and Professor Mariana Mazzucato at the University of Sussex, argue that donations and benevolent price reductions for selected countries or populations "remain random acts of charity that do not get to the heart of the problem: the unacceptable commodification of human lives by [drug companies](#) using monopoly pricing power to determine who lives and who dies."

They point out that pneumonia vaccines are likely to cost less than a dollar to produce, but are typically being sold at \$120-160 (£96-£130; €110-€150) per dose in wealthy countries, and at least three doses are required to protect a child. Pfizer's revenue from this vaccine was \$6.2bn in 2015.

They explain that GSK and Pfizer have previously agreed to supply their vaccines at around \$3 per dose to Gavi, a public-private partnership that works to increase access to vaccines in some 50 of the poorest countries.

"Though this has been applauded as an act of corporate social responsibility, they say the price "is still more than profitable, and there is no transparency around the cost structure of vaccine manufacture or company use of tax deductions to assess the true generosity of such offers."

As with expensive medicines, "high vaccine prices are the consequence

of corporate decisions to focus on maximising shareholder returns at the expense of [public health](#)," they argue. "It is now clear that drug companies have identified vaccines as the next pot of gold."

So what is the reason behind this price hike, they ask?

In contrast to the medicines market, there are no generics for vaccines to drive down prices, giving even stronger pricing power to a small number of multinational vaccine producers, they explain.

As with medicines, the often cited justification for high [vaccine](#) prices is that research and development is expensive and risky, they add. Yet a detailed estimate of the development cost of rotavirus vaccines suggests that companies could recover all fixed costs quickly and offer these vaccines to all countries at affordable prices.

Instead, "they seek to fragment the market, selling in middle and high income countries in ways that maximise short term returns."

They call on companies to agree on a fair price that takes into account the research and manufacturing costs, the public research contributions, and the public health importance of vaccines. "This, rather than charitable donations meant to mask the system failures of a profit maximising healthcare economy, would be a beneficial corrective for public health," they say.

"The right price for vaccines must take into account the value of their collective creation but also the fact that they are essential goods produced collectively to safeguard the vulnerable - no matter where they live," they conclude.

More information: Editorial: Fair vaccine pricing please, not random acts of charity, www.bmj.com/cgi/doi/10.1136/bmj.i6173

Provided by British Medical Journal

Citation: Experts call for fair vaccine pricing, not 'random acts of charity' (2016, November 23)
retrieved 4 May 2024 from

<https://medicalxpress.com/news/2016-11-experts-fair-vaccine-pricing-random.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.