



March 5<sup>th</sup>, 2019

Senate Hearing: Vaccines Save Lives. What is Driving Preventable Disease Outbreaks?

## This Hearing Should Be About Vaccine Costs

Since the establishment of the Vaccines for Children (VFC) program of the CDC in 1994, its budget has grown from a low of \$231 million to a 2018 budget of \$4.4 billion dollars – a 19 times increase. Vaccines available through the VFC Program are those recommended by the Advisory Committee on Immunization Practices (ACIP). These vaccines protect babies, young children, and adolescents up to age 18 from [16 diseases](#). The program covers about half the children in the US. This program makes up more than one third of CDC's budget and its funding is **mandatory**, paid for by a transfer from Medicaid.

Any vaccine which is added to the childhood schedule by the Advisory Committee on Immunization Practices is automatically added to the VFC program. This process does not always include rigorous cost benefit analysis. A study by Pike et al., 2019, reviewing the economic evidence presented to the ACIP, states, **“we find the inclusion of particular types of direct costs, indirect costs, program costs, and sensitivity analyses are areas that could improve consistency.”**

The HHS Secretary establishes the price that CDC will pay for each of the covered vaccines. Vaccines that were in use before 1994 are restricted to cost increases based on the US cost of living urban index (about 2% annually). **However, vaccines developed after the program was established have no limits on their costs.** The HHS Secretary can negotiate any price but many of the newer vaccines are expensive and require multiple doses. There is evidence that the VFC is paying far more for vaccines than it needs to. For example, a 2018 study by Quendri et al. shows that the average price of Gardasil 9 in 15 European countries in 2016-2017 was about \$40 US. The price of Gardasil 9 on the April 3, 2017 CDC price list was \$154.28. Clearly, **these costs are unnecessarily high and they are not currently under Congressional control. The Senate should consider investigating the cost and cost effectiveness of our vaccination program.**

Last, but not least, **vaccines can also kill and injure.** The National Vaccine Injury Compensation Program has awarded over \$4 billion dollars for people of all ages with vaccine injuries and for deaths from vaccines. If someone dies as a result of receiving a vaccine, the compensation is only \$250,000. **There is a lack of oversight in this program as well.**

Further information and full references are available on our website or by contacting CHD.