

# Public Policy Statement: Access to Our Vaccines

According to the World Health Organization, the U.S. Centers for Disease Control and Prevention, and other leading health authorities, vaccines are one of the most valuable health innovations in modern times and help save and improve lives of people of all ages around the world.<sup>i,ii,iii,iv</sup>

Merck aims to achieve the broadest possible access to our vaccines within a sustainable framework—one that allows ongoing research, development, and distribution of innovative vaccines that address important unmet health needs. Consistent with Merck's overarching **Access to Health Statement of Guiding Principles** we have a comprehensive access strategy for vaccines that includes the following:

1. Supporting ongoing surveillance and assessments to understand infectious diseases trends and their impact on people;
2. Conducting and supporting research that helps define novel approaches to vaccination;
3. Creating and testing vaccines that help solve important health challenges faced by people around the world;
4. Striving to maintain the highest standards of safety and product quality in all stages of vaccine development and manufacturing;
5. Investing in manufacturing improvements that help assure reliable product supply and lower production costs;
6. Working with governments and nongovernmental organizations to build sustainable and effective vaccination delivery programs that reliably reach people; and
7. Using tiered (or differential) pricing – systematically pricing vaccines at differing levels appropriate to the value they create under the economic conditions where they are used – to facilitate broad access.

In simple terms, the value of a vaccine depends on its benefit compared to its cost in a specific market. Benefit can be measured from several perspectives, including disease prevention, lives saved or prolonged, improvements in quality of life, health-cost savings, and economic productivity losses avoided.<sup>v,vi,vii</sup> Vaccination program costs comprise a variety of elements, from the vaccines themselves to the systems that support their delivery, including<sup>viii</sup>:

- The cost of the vaccines: product prices, and the administrative cost of procuring them;
- Storage, distribution, logistical and programmatic expenses required to effectively deliver and dispense vaccines to people;
- Investments in training and ongoing support for health care personnel;
- Public health assessments of need and impact, including surveillance and epidemiology;
- Quality immunization records and registries;
- Ongoing safety monitoring; and
- Public awareness and education campaigns.

Product price is the component of vaccine program costs that often gets the most attention, but is typically not the most expensive recurring element. In resource-constrained countries, sustainable financing is required not only for vaccines themselves but also for all these other costs associated with a well-functioning vaccination program.<sup>ix,x</sup>

Merck works with governments, international health and development organizations, donor groups, nongovernmental organizations, and others to support countries' population health aims and help improve sustainable access to our vaccines. Merck uses tiered pricing for vaccines as an equitable way to achieve twin objectives: to expand access to people who need vaccination, and also to ensure sufficient return on investment over time to support the complex and costly research and development and other activities necessary to create new vaccines. We consider a variety of factors in arriving at a price in a given country, including:

- The public health need – for example, the number of people at risk in the population;
- The health economic value of the vaccine in that country – for example, savings in healthcare costs;
- The country's ability to support vaccine delivery and achieve population health coverage, including infrastructure capacity (e.g., disease surveillance, vaccine registries, vaccinators, and storage and distribution capabilities);
- The country's level of economic development, fiscal capacity for investments in health, and actual health spending; and
- The country's mechanisms and policies for procuring vaccines.

Vaccines are one of the greatest public health success stories in history, and Merck has played its part in that story. Our unique vaccines have helped prevent a number of diseases, including ones never thought preventable. We are dedicated to the complex business of researching and producing vaccines and to expanding access to them to improve health and wellbeing.

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<sup>i</sup>. WHO, UNICEF, World Bank. State of the world's vaccines and immunization, 3rd ed. Geneva, World Health Organization, 2009.

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<sup>ii</sup>. Centers for Disease Control and Prevention. Ten Great Public Health Achievements --- United States, 2001--2010. *Morb Mortal Wkly Rep*. 2011;60(19):619-623.

<sup>iii</sup>. Centers for Disease Control and Prevention. Ten Great Public Health Achievements --- Worldwide, 2001--2010. *Morb Mortal Wkly Rep*. 2011;60(24):814-818.

<sup>iv</sup>. Centers for Disease Control and Prevention. Achievements in Public Health, 1900-1999 Impact of Vaccines Universally Recommended for Children -- United States, 1990-1998 *Morb Mortal Wkly Rep*. 1999;48(12):243-248.

<sup>v</sup>. Willems JS, Sanders CR. Cost-Effectiveness and Cost-Benefit Analyses of Vaccines. *J Infect Dis*. 1981;144(5):486-493.

<sup>vi</sup>. Meltzer MI. Introduction to Health Economics for Physicians. *Lancet*. 2001;358(9286):993-998.

<sup>vii</sup>. Zhou F, Shefer A, Wenger J, et al. Economic Evaluation of the Routine Childhood Immunization Program in the United States, 2009. *Pediatrics*. 2014;133 (4):577-585.

<sup>viii</sup>. World Health Organization. Comprehensive Multi-Year Planning (cMYP) A Tool and User Guide for CMYP Costing and Financing. World Health Organization 2014.

[http://apps.who.int/iris/bitstream/10665/128051/1/WHO\\_IVB\\_14.06\\_eng.pdf?ua=1](http://apps.who.int/iris/bitstream/10665/128051/1/WHO_IVB_14.06_eng.pdf?ua=1). Accessed September 23, 2014.

<sup>ix</sup>. World Health Organization. Economics of immunization: a guide to the literature and other resources. Geneva: World Health Organization 2004.

[http://whqlibdoc.who.int/hq/2004/WHO\\_V&B\\_04.02.pdf](http://whqlibdoc.who.int/hq/2004/WHO_V&B_04.02.pdf). Accessed September 23, 2014.

<sup>x</sup>. World Health Organization. Principles and considerations for adding a vaccine to a national immunization programme: from decision to implementation and monitoring. Geneva: World Health Organization 2014. [http://apps.who.int/iris/bitstream/10665/111548/1/9789241506892\\_eng.pdf?ua=1](http://apps.who.int/iris/bitstream/10665/111548/1/9789241506892_eng.pdf?ua=1).