

Doctors making huge profits on vaccines

Pharma Cos Offer Them New Products At Very Cheap Rates

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Vaccines are meant to help prevent diseases. But they could also have another vital use as an alternative and significant source of income for doctors.

Many vaccine manufacturers are offering vaccines at hugely reduced prices to doctors, many of whom charge the full price from patients, pocketing the difference. The greater the discount, the bigger the profit margin for the doctor. So when a doctor pushes a vaccine that is not part of the universal immunisation programme, it would be difficult to decide whether he is thinking of your child's health or his pocket.

A study by Dr Rakesh Lodha of the Department of Paediatrics, AIIMS, and Dr Anurag Bhargav of Jan Swasthya Sahyog in Chhattisgarh, published in a recent issue of the Indian Journal of Medical Ethics, reveals the huge difference in the price of vaccines offered to doctors. "The percentage margin between the price to doctors and the MRP ranges from 30% to 69%, while in rupee terms, the discount over the MRP per vaccine dose ranges from Rs 85 to Rs 620," the study says.

Many vaccines require giving three or more doses and hence the profit margin could be as high as Rs 1,800 per child vaccinated.


Interestingly, the vaccines being offered at hugely discounted prices to doctors are not those that are recommended for universal immunisation. Such aggressive promotion is for new and expensive vaccines and combination vaccines whose use in the Indian context is "not well established in terms of epidemiological rationale or costbenefit analysis", says Dr Lodha.

In yet another study, consultant paediatrician Dr Yash Paul from Jaipur found that the difference between the MRP and the price for doctors or chemists is very small for vaccines which are part of the National Immunisation Programme. The huge discount of Rs 500-600 is only for the newer vaccines. Dr Paul points out that doctors would be tempted to administer newer discounted vaccines which give them a huge profit margin. **Retail vaccine prices highly inflated: Study**

If the difference between the MRP and cost to the doctors is equal or nominal, doctors may consider the comparative merits of the vaccines instead," says the Jaipur-based Dr Yash Paul. He cites the example of the DPT vaccine, recommended for universal immunisation, which has an MRP of Rs 15.50, and given to doctors at the discounted price of Rs 12.50, a minimal difference, whereas the MRP of DaPT, a modified newer version of DPT, is Rs 699 and the cost for doctors is Rs 595.

In addition to sending private letters to physicians, companies have now started advertising the price of their vaccines to doctors in medical journals. Chiron Panacea has placed advertisements in paediatrics journals quoting the price of the pentavalent vaccine Easyfive at Rs 275 to the doctor while its MRP is Rs 585. "While physicians will incur some costs for the storage of vaccines, the margin of profit is still huge, and could be termed as profiteering. Such high margins are difficult to find in other professions or industries or in the case of other goods," say Dr Lodha and Dr Bhargava.

The study concludes that such huge margins on offer clearly indicate that the retail prices being paid by parents and patients are highly inflated. "The companies can afford to sell their vaccines for far lower prices without a loss in profitability. This indicates that there is scope for a substantial reduction in vaccine prices," say Dr Lodha and Dr Bhargava, arguing that such practices could be curbed only by placing vaccines back under price control as was the case till 1995.



Vaccine	Disease It Protects Against	MRP in 2008 (Rs)	Price For Doctors (Rs)	Profit For Doctors
Pentaxim	Diphtheria, tetanus, pertusis, polio, influenza-B	2,066	1,446	43%
Immovax Polio	Polio	365	280	30%
Tripacel	Pertusis, diphtheria, tetanus	1,211	762	59%
Okavax	Chicken pox	1,468	986	49%
Avaxim 80	Hepatitis-A	952	665	43%
Tetract Hib	Diphtheria, tetanus, pertusis, influenza-B	504	305	65%
ActHib	Influenza-B	426	251	70%