

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.^{i,ii,iii,iv}

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 disease trends and their impact on people;
2. Conducting and supporting research that helps identify novel approaches to increase vaccination;
3. Developing vaccines that help address 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 ensure 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.

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, manufacturing capacity, 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, disease prevention, overall

impact on public health, savings in healthcare costs or economic productivity losses avoided^{v,vi,vii} ;

- 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.

The cost of the vaccine often gets the most attention but is typically not the most expensive recurring element in a vaccination program. Program costs comprise a variety of elements, from the vaccines themselves to the systems that support their delivery, including^{viii}:

- The administrative costs of procuring vaccines;
- Storage, distribution, logistical and programmatic expenses required to effectively deliver and dispense vaccines;
 - 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 educational campaigns.

In resource-constrained countries, sustainable financing is required not only for vaccines themselves, but also for all other costs associated with a well-functioning vaccination program.^{ix,x}

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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iv. Centers for Disease Control and Prevention. Achievements in Public Health, 1900-1999 Impact of Vaccines Universally Recommended for Children -- United States, 1990-1998

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vii. 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.

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

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http://whqlibdoc.who.int/hq/2004/WHO_V&B_04.02.pdf. Accessed September 23, 2014.

x. 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.