

policymakers have asked for reduced vaccine prices without assurances of policies ensuring wide usage. Manufacturers have continued to insist that lower prices are contingent on increased volume of sales.<sup>18</sup>

The federal government can, and does, become involved in bulk purchasing of vaccines in order to obtain the lowest possible price for the participating provinces. Dr. Losos commented on this point, with specific reference to the hepatitis B vaccine:

The department (of Health and Welfare) does assist the provinces in bringing together the purchasing agents for the provinces, and under the quarterbacking of the Department of Supply and Services they negotiate with the companies the best deal possible, as far as cost of vaccines is concerned.

The cost of these vaccines, the hepatitis B vaccines, has been very high right from the beginning and it is part of the complicating factor in their wide-scale application. But the department does, in fact, negotiate bulk-purchasing agreements with companies. The provinces then buy however much they feel they need and want and which vaccine they need.<sup>19</sup>

The Sub-Committee's concern in this area is two-fold. First, for a universal immunization program against hepatitis B to be effective, it is necessary for all provinces and the two territories to participate. For this to happen, the vaccine must be available at an acceptable price. Second, we are concerned that the negotiations over vaccine price should be carried out with clear reference to the prices being paid for vaccines of acceptable quality and purity in countries such as New Zealand.

While we accept that companies should receive a fair return for a high-quality product, we want to ensure that Canadians do not have to pay an excessive price for this vaccine because of deficiencies in the price-negotiating process. The experience of the New Zealand authorities in negotiating a low price for the vaccine is very encouraging for the development and implementation of a universal immunization program in Canada.

#### **RECOMMENDATION NO. 4**

The Committee recommends that the Federal Government, through the Departments of Health and Welfare and Supply and Services, conduct a study on the pricing of hepatitis B vaccine: first, to determine why the prices of identical vaccines vary significantly between different countries; second, to ensure that the negotiations on price with vaccine manufacturer(s) are conducted with full knowledge of prices paid in other jurisdictions; and, third, to ensure that those vaccines of acceptable quality that are supplied to Canada will be available at the lowest possible price on the world market.

#### **INFORMATION AND EDUCATION**

Effective information and education programs are essential in the fight against any disease. The hepatitis B virus is a robust and highly infectious pathogen but it is essentially confined to bodily fluids and it is not spread through the air in the manner of colds and influenza. With adequate

<sup>18</sup> Krahn and Detsky (1990), p. 7.

<sup>19</sup> *Proceedings*, Issue 1, p. 29.