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Vaccines for children

Recently a newspaper editorial pointed out that the American taxpayer had just received a \$700 000 lesson in the economics of health care reform. The subject was President Clinton's program to federalize the distribution of vaccines for children. This was held up as an example of what might have happened had Congress enacted the proposed 1400 page health care reform bill that would have restructured in one fell swoop one seventh of the United States' economy.

As conceived in early 1992, the "innovative" Vaccines for Children program was designed to raise the immunization rates of 2 year old infants by providing free vaccines to all, regardless of ability to pay. At the time the federal minister in charge of health explained that vaccines were like water, food, and clean air, and that we do not means test children for such things.

Indeed surveys had shown that only about 60% of all 2 year old infants had been fully vaccinated, and at various times several outbreaks of infectious diseases had occurred. For this President Clinton blamed the "shocking" prices charged by the drug companies, which he publicly accused of profiteering at the expense of children. Yet it was noted that most of the vaccine makers had been driven out of the business by fear of liability suits, so that less than a handful now remained. Moreover, most people were insured or able to pay the \$245 for a full course of vaccinations, and for the others there were free vaccines available. Also, it had been shown that previous experiments with distributing free vaccines had mostly failed. The vaccines were available, but not the children - largely because of ignorance, negligence, or limited and inconvenient access to public clinics. By contrast, by the age of 5 most children in America were fully vaccinated, because this was a prerequisite for admission to kindergarten.

At the time the drug manufacturers argued that making the government a sole purchaser would eventually drive the remaining companies out of the vaccine market. Many people questioned the rationale of providing free vaccines to people who could pay. Even some Democrats in Congress thought the initiative was too ambitious. In the face of a Republican filibuster the administration compromised, restricting free distribution to indigents and recipients of public aid and thus reducing the overall cost by half. As has so often been the case, the law was vague on the details of how it was to be implemented.

A year later the official auditors report that the program is in shambles. It seems that the government has bought more vaccines than it can use. It has centralized the operation, warehousing all the vaccines in New Jersey at a single federal distribution centre that also buys everything from staples to automobiles but has no experience in distributing vaccines. Meanwhile the private doctors are having a difficult time ordering the vaccines because of red tape. Local public officials are confused, not knowing how much vaccine will arrive and when, who will deliver it, and who will pay for it. It is by no means certain that the program will be fully operational by the time it is needed. One legislator observed that a fairly simple law designed to benefit a small group of uninsured children had become a bureaucratic nightmare that put at risk the nation's entire vaccine supply.

Subsequently the government abandoned the centralized warehousing project, but not before investing \$700 000 in freezers and other hardware. It hopes, however, to successfully complete the rest of this Soviet style exercise in centralized bureaucratic planning and management.