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Biopharma industry, academics push back against demands for price controls on COVID-19 countermeasures

By Steve Usdin | February 20, 2020 | View Online

The biopharma industry and academics who are developing vaccines and therapies to prevent and treat COVID-19 pushed back Thursday against calls from members of Congress for price controls on medical countermeasures.

In a letter to President Donald Trump, 46 House Democrats asked him to "ensure that any vaccine or treatment developed with U.S. taxpayer dollars be accessible, available, and affordable." They added that this goal "cannot be met if pharmaceutical corporations are given authority to set prices and determine distribution, putting profit-making interests ahead of public health priorities."

BIO accused elected politicians of exploiting the outbreak to score political points, and PhRMA said the letter could deter companies from developing COVID-19 vaccines and therapies.

Peter Hotez, dean of the National School of Tropical Medicine at Baylor College of Medicine, suggested that the lack of economic incentives for industry investment is a bigger concern than pricing.

The Democrats, including Reps. Jan Schakowsky (D-Ill.) and Lloyd Doggett (D-Texas), called on HHS to avoid granting exclusive licenses to private manufacturers for COVID-19 vaccines or therapies. They also urged Trump to "allow HHS to intervene if a manufacturer prices a COVID-19 vaccine or treatment at an excessive level."

PhRMA rejected the call to avoid exclusive licenses. "Current law permits exclusive licenses to be granted only when NIH determines the license is necessary to develop, manufacture and bring a product to market," said Holly Campbell, deputy VP for public affairs at PhRMA. "Obstructing that process does a disservice to Americans and people around the world who could benefit from new treatments or vaccines."

PHARMA DETERRED BY LACK OF RETURN

While the goal of ensuring access and affordability are laudable, the letter is aiming at the wrong problem, Hotez told BioCentury. He co-directs the Texas Children's Center for Vaccine Development at Baylor, which is developing vaccines to protect against COVID-19, SARS and several neglected tropical diseases.

Hotez agreed with congressional Democrats that "any coronavirus vaccine should be made available at an affordable price."

He added that "the real problem is that industry is mostly holding back from developing vaccines for neglected and emerging diseases, leaving it to smaller biotechs and academic-based product development partnerships like our Texas Children's Center for Vaccine Development at Baylor College of Medicine to carry the burden."

Two pharmas, Johnson & Johnson (NYSE:JNJ) and Sanofi (Euronext:SAN; NASDAQ:SNY), have started COVID-19 development programs (see “Sanofi Enters Vaccine Race with BARDA Collaboration”).

The response to COVID-19 is an exception. The largest biopharmas, Hotez said, have been reluctant to invest in vaccine development for neglected diseases and emerging pathogens.

“In some respects the letter reflects a broader misunderstanding about vaccines for these diseases,” Hotez said. “Except for a few committed non-profit organizations like ours driven by humanitarian goals, or biotechs using this an opportunity to get their platform technologies into the clinic so they can later license profit making vaccines, there’s actually not much interest” in developing vaccines for neglected diseases and outbreaks like MERS, SARS and Zika.

SEEKING “GUARDRAILS”

The congressional Democrats singled out an HHS Biomedical Advanced Research and Development Authority (BARDA) partnership with Regeneron Pharmaceuticals Inc. (NASDAQ:REGN).

The letter, which echoed a report issued Wednesday by Public Citizen, said that the federal government has funded Regeneron’s coronavirus R&D and stated that “there must be guardrails in place to prevent Regeneron from monopolizing the medicine and maximizing profits.”

BARDA has agreed to fund 80% of R&D and manufacturing costs for promising treatments developed by Regeneron, which is developing mAbs to neutralize the virus.

Christos Kyratsous, Regeneron’s VP of research for infectious diseases and viral vector technologies, told BioCentury last week that the company had started COVID-19 mAb discovery activities with DNA segments of the virus, created pseudo-particles for testing purposes, and was immunizing mice that have been genetically engineered to generate immune responses.

Regeneron provided BioCentury a statement in response to the congressional letter. The company said its “focus first and foremost is on doing the right thing for patients. For infectious diseases, we are particularly motivated by the public good, as we apply our unique scientific expertise, talent and technologies.”

Regeneron said its scientists were working “around the clock” on COVID-19 therapies, and that the company is “committed to ensuring any potential medicines reach patients in need around the globe."

BIO EVP for public affairs Rich Masters blasted the congressional letter, telling BioCentury that “hundreds of scientists at companies large and small are working around the clock to develop vaccines and antiviral therapies to address the coronavirus.”

He said members of Congress who signed the letter were “demoralizing the men and women on the frontlines trying to get medical innovations to the people whose lives depend on them," and, citing industry collaborations with NGOs and government agencies, suggested that Congress “should be focused on how they can best support and encourage these efforts.”

PhRMA also reacted strongly.

Campbell highlighted the "enormous upfront costs and risks associated with vaccine development" and said "the signers of this letter could prevent a vaccine, therapy or cure for coronavirus from ever reaching patients."