

# Shot in Arm Needed for Vaccine Program

## States Will Have to Contribute to Assure Shortfall Can Be Overcome

By HENRY A. WAXMAN

It wasn't long ago that every summer, mothers were afraid to let their children cool themselves in the public pool because of the crippling specter of polio. Diseases like smallpox, whooping cough and measles were equally frightening—and deadly.

In the last several decades, however, vaccines have transformed the childhood experience. For most children, serious childhood illness means an unpleasant but hardly life-threatening bout with the flu.

Through increased participation in a national immunization program, the United States has seen a dramatic reduction in the incidence of seven often-disabling childhood diseases. Success, however, has come at a cost that has been neither injury-free nor cheap. And the program itself is temporarily threatened by a funding shortfall.

Despite the remarkable boost to children's health that vaccines have given us, they are not always completely safe. Side effects can be as minor as a mild fever or as serious as mental retardation, permanent disability or death. Rare as these debilitating reactions are (a one-in-a-million chance for a polio shot, for example), they are devastating and expensive when they do occur.

Vaccine manufacturers claimed for many years that they had been forced to raise their prices to cover the costs of litigation and compensation for vaccine injuries. At one time, for example, the price of the diphtheria-pertussis-tetanus (DPT) vaccine increased more than 2,000% over a two-year period. Its manufacturer, having

lost insurance coverage for the vaccine, announced a plan to set aside \$8 per dose for a product-liability reserve. Other vaccine manufacturers simply decided to get out of the business.

But recent legislation should go far to restrain the sudden and erratic price hikes. In 1986 Congress passed the National Childhood Vaccine Injury Act to compensate children for injuries received from routine childhood immunizations. By setting up a trust fund supported by federal appropriations and a vaccine surcharge, Congress created a system speedy and generous enough to dissuade vaccine-injury victims from going on to the more lengthy and costly process of litigation. If the system works as expected, there should be fewer suits, followed by a more competitive market and lower vaccine prices. Children and families who otherwise might not have received compensation through the litigation process will now have a source of relief.

As often happens in Congress, the quirks of the legislative calendar were such that the law establishing the vaccine surcharge was enacted after federal health spending for 1988 had been allocated. As a result, the initial funding for the immunization program has not been enough to cover the cost of both the vaccines and the surcharge. State health departments, many of them caught in statewide budget deficits such as California's, were similarly unprepared to deal with this year's higher vaccine prices.

As schoolchildren line up this fall for their required immunizations, additional funding is necessary to ensure that there

are enough vaccines to go around. Attempts are being made to secure a \$13.3-million federal supplement to assist states with this one-time shortfall. But states will also have to contribute.

While Congress and the states scramble to make up for missing dollars this year, there are already signs that the vaccine-injury compensation program is having an impact on vaccine prices. The price for publicly supported polio vaccine, for example, has already dropped. Charges for DPT shots are expected to decrease by 12% next year. And two manufacturers are now competing for the DPT market instead of the one that has had a virtual monopoly for years. All this is before the program officially gets under way.

It is ironic that the stunning health gains brought about by immunizations may be temporarily threatened by a funding gridlock resulting from a congressional attempt to control skyrocketing vaccine prices. Although states complain that they cannot afford to pay higher costs, it is clear that they cannot afford not to. In the long run children will have access to safer, more affordable vaccines through the elimination of many of the factors that have driven up prices in the past.

Vaccines are important. They save lives. And they save dollars. It is the job of both the states and Congress to ensure that childhood immunizations will always be at the top of the nation's public-health agenda.

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*Los Angeles Times, August 22, 1988*