

Was The Government's Decision To Split Vaccine Purchase Between Public And Private Sector Wise? Two Health Experts Make Their Case

## Focus should be on fixing vaccine supply rather than creating public-private divide

**N**o one is safe till everyone is safe' has been a key lesson of this pandemic, and as we battle this deadly second wave of Covid-19 in India, it's vital for us to vaccinate as much of our adult population as possible, and do this with speed and safety.

Now is not the time to create a division or split between private and public, when, in fact, an inclusive method involving as many healthcare providers as possible would help us make the world's most ambitious vaccination drive successful. Though it began as a tightly centralised affair, the government recently opened up its inoculation drive for the 18-45 age group at private facilities with the objective to accelerate the rate of vaccinations, enable a possible plateauing of infection spread wherever possible to flatten the curve. This is a welcome move as India's infection rates have crossed over 400,000. The healthcare industry has stood with the government and continues to offer its

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unwavering support through these trying times. I would like to highlight a few strategic ways in which the industry is looking to support the government to help with vaccinations as well as supplying various critical care essential drugs and devices.

Permitting the industry to source vaccines domestically and overseas helps create an enabling environment as the quantity of vaccines in circulation will increase. However, no foreign vaccine maker will start selling here unless the government takes up the indemnity issue which protects them potential lawsuits related to adverse events. This is currently only resolved for the Indian vaccine companies. So in theory, we can access vaccines but reality is tougher. Under the open general license (OGL) hospitals can now import but it's definitely an uphill task for an industry overwhelmed with fighting the pandemic.

Some on ground challenges that we experience include — for instance, the



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supply of vaccines while allowed openly is still under the control of the health ministry and DGCA. This is self-defeating. The 20,000 private hospitals which were giving vaccines are totally without supply today. This tight control needs to be rationalised especially since there are over 10 million Indians who need a second dose. Currently, the meagre private doses supplied are being prioritised for them, leaving those in the 18-45 group with scarce opportunities to get vaccinated.

The healthcare industry has taken several steps in order to improve vaccination coverage across the country. Since the government has allowed corporates to undertake vaccination on their premises provided there are more than 100 beneficiaries and also placed the spending on this for non-employee beneficiaries under the CSR rules, many companies have already taken the required permissions to open up vaccination sites in partnership with surrounding providers. Further, the healthcare industry is being continuously encouraged to expand their vaccination drive to a larger number of members of the surrounding community as well.

The industry can also amplify the government's efforts towards this vaccination drive by providing mobile vans in rural set-ups for vaccination and testing. Mobile centers allow us to cater to the larger population that is widely dispersed. With the provision of mobile centers, it will nudge communities to get vaccinated as it limits their travelling distance and eases any mobility issues that may arise, while also unburdening medical providers set up in rural communities.

To further augment our reach and our efforts, the healthcare industry recommends allowing walk-in vaccinations even among the younger eligible cohort, as CoWIN may not be available for those living in low-network areas.

The industry has supplemented and complemented the efforts of the government by providing various recommendations since the formation of the national expert group on vaccine administration (NEGVAC) and in a timely manner to ensure that the lives and livelihoods of the population are protected.

Massive communication campaigns across various media have been circulated as widely as possible with the mes-



**LONG WAIT:** Pharmacists queue up for vaccine supplies in Bengaluru

sage that everyone should get vaccinated when they are able to as well as continuing to strictly adhere to Covid-19 appropriate behaviour and also encouraged to adhere to very strict safety protocols at the shop floor.

It's time to stop examining if vaccinating is a private sector or public responsibility; it's time to stop arguing

about price and pushing manufacturers to deliver vaccines both to governments and private sector. There is also no need to worry about the private sector cornering all the vaccines because even with best efforts, the private sector will vaccinate not more than 20%, which is a massive 150 million people, but just 20% of those who are eligible. If the world can come together and relax patents for Covid vaccines so rapidly, we should be able to break down all barriers and make sure we get a billion more vaccines and job Indians fast and safely. This is our only hope.

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## Revised policy allows vaccine makers to profit while increasing burden on states

One could have asked why even this Rs 250 was necessary. But at this rate, the entire cost of universal free vaccination would have come to only about Rs 32,500 crore, a mere 0.3% of GDP. This much had already been provided for in the budget and would match the political promises to provide free vaccination to all. Most countries have made vaccination universal and free. Private hospitals could have been reimbursed expenses at this rate, rather than charging it to the patient. But perhaps, the government hoped to make a modest cost recovery from those who could afford it, and create an audit trail to track performance by the private sector.

The private sector may not have been very enthusiastic about this policy, but was not reluctant either. And this increased the space for the public sector to focus on reaching the more vulnerable where demand for vaccination could be low, while leaving the private sector to handle the walk-in beneficiary. In this approach, the private sector is an additional technical capacity in-sourced for vaccine delivery in a universal, publicly administered free vaccination program.

But surprisingly, on April 21, as the pandemic was peaking, the government announced a revised policy. In this, 50% of vaccines manufactured for India are to be sold to the central government. The other 50% would be sold in the open market, with state governments and private hospitals competing for it. This is not really market competition, because the two manufacturers are allowed to set their own prices.

Further, they can do this without the intervention of the National Pharmaceutical Pricing Authority, which has a mandate to set the prices of essential drugs and vaccines. Private hospitals can also import vaccines at prices they negotiate and deliver them at prices they determine. Today, there is a huge black-market in beds, ambulance services, medicines, and oxygen cylinders. Instead of acting against this, the government seems to have gone out of its way to create conditions for such a market to emerge in vaccines too.

This policy change was projected as necessary to include the 18 to 45 age group. The demand to include this age group is justified, if it helps to prioritise many vulnerable occupational categories whose protection is required by both common sense and the equity im-



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perative. Examples would include sanitation workers, vegetable and fish vendors, transport workers, postal services and so on. But no such prioritisation is evident, except in Chhattisgarh. Instead, the policy restricts access to those coming through the CoWin digital platform with vaccines for this age group available only in the private sector unless states choose to fund it. The rates that Serum Institute of India has announced for sales to the private sector are higher than those at which the same vaccine is sold in western markets. Bharat Biotech's rates are even higher. This, despite the fact that there has been liberal public financing in the innovation and scaling up of the manufacture of these vaccines.

This policy, as an intervention application in the Supreme Court points out, goes against the universal vaccination policy and the spirit of cooperative federalism, against the drug price control policy. By implicit withdrawal from the goals of universal vaccination, it denies the right

**Earlier policy for 45-60 and 60-plus age groups provided jobs at reasonable cost as well as reasonable profit for vaccine companies. Now, they are allowed to set their own prices, while private hospitals can import and deliver them at cost they determine**

to health and puts at risk the health of the entire population from future pandemics. Free vaccines would be available only in the public sector and the volume of such vaccination would be limited by central allocations — for which, as of now, there are no transparent policies—and the states' capacity to take on the excessive financial burden. There is no reason to believe that this policy would lead to increased vaccine manufacture.

The earlier policy could have been developed as a pathway to universal vaccination, where both the public and private sector contribute. This policy seems directed to enabling the private sector to search for higher profits in the manufacture and delivery of vaccines, while restricting the obligation of universal vaccination to the under-resourced, much-abused public sector.

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sons", and in private facilities was available at Rs 250 per dose. Eligibility was healthcare workers, front-line workers and those above 60, which later expanded to the 45-60 age group. It was expected that as vaccine supply increased, more population groups would become eligible. The crux of this policy was that the entire procurement and allocation was by the central government. The prices fixed were reasonable, and by the public admission of India's leading vaccine manufacturer, provided a reasonable profit.