

Congress of the United States

Washington, DC 20515

December 12, 2022

Mr. Albert Bourla
Chief Executive Officer
Pfizer Inc.
235 East 42nd Street
New York, NY 10017

Dear Mr. Bourla:

We write to you today regarding reports that Pfizer plans to dramatically increase the price of its COVID-19 vaccine next year. According to reports, Pfizer plans to charge up to \$130 per dose—quadruple the current price and a 10,000 percent markup over what experts estimate as the cost of production.¹ This price increase represents pure and deadly greed on the part of the company, and could result in the COVID-induced fatalities of many uninsured Americans that may be unable to afford the vaccine. Even worse, Pfizer’s price hike could pave the way for other vaccine manufacturers like Moderna and Novavax to raise the prices of their vaccines, harming Americans seeking protection from COVID-19 and potentially worsening an ongoing public health crisis.² We seek information about Pfizer’s pricing plans and an explanation for your company’s unseemly profiteering.

Pfizer’s planned price hikes come after the company raked in billions during the COVID-19 pandemic.³ In 2021, the company’s COVID-19 vaccine became its second-highest revenue-generating drug.⁴ The same year, Pfizer estimated it would collect profits of around \$4 billion from the vaccine,⁵ with a reported profit margin “in the high 20% range.”⁶ Pfizer earned \$81.3

¹ Reuters, “Pfizer COVID vaccine price hike to boost revenue for years, rivals may follow,” Michael Erman, October 21, 2022, <https://www.reuters.com/business/healthcare-pharmaceuticals/pfizer-covid-vaccine-price-hike-seen-giving-revenue-boost-years-2022-10-21/>; Reuters, “Pfizer expects to hike U.S. COVID vaccine price to \$110-\$130 per dose,” Michael Erman, October 21, 2022, <https://www.reuters.com/business/healthcare-pharmaceuticals/pfizer-expects-price-covid-vaccine-110-130-per-dose-2022-10-20/>.

² U.S. Department of Health and Human Services, “RENEWAL OF DETERMINATION THAT A PUBLIC HEALTH EMERGENCY EXISTS,” press release, October 13, 2022, <https://aspr.hhs.gov/legal/PHE/Pages/covid19-13Oct2022.aspx>; Reuters, “Pfizer COVID vaccine price hike to boost revenue for years, rivals may follow,” Michael Erman, October 21, 2022, <https://www.reuters.com/business/healthcare-pharmaceuticals/pfizer-covid-vaccine-price-hike-seen-giving-revenue-boost-years-2022-10-21/>

³ Fierce Pharma, “Pfizer to become \$100B behemoth next year thanks to COVID-19 drug and vaccine: analyst,” Angus Liu, November 23, 2021, <https://www.fiercepharma.com/pharma/pfizer-to-exceed-100b-revenue-2022-thanks-to-covid-19-drug-and-vaccine-analyst>.

⁴ Quartz, “Pfizer’s Covid-19 vaccine is set to be one of the most lucrative drugs in the world,” Annalisa Merelli, February 2, 2021, <https://qz.com/1967638/pfizer-will-make-15-billion-from-covid-19-vaccine-sales>.

⁵ Quartz, “Pfizer’s Covid-19 vaccine is set to be one of the most lucrative drugs in the world,” Annalisa Merelli, February 2, 2021, <https://qz.com/1967638/pfizer-will-make-15-billion-from-covid-19-vaccine-sales>.

⁶ CNBC, “What’s next for Pfizer, Moderna beyond their projected \$51 billion in combined Covid vaccine sales this year,” Spencer Kimball, March 3, 2022, <https://www.cnbc.com/2022/03/03/covid-pfizer-moderna-project-51-billion-in-combined-vaccine-sales-this-year.html>.

billion in total revenue in 2021, increasing annual revenues by nearly 100 percent;⁷ the company reported total annual profits in of nearly \$22 billion.⁸ Even before announcing potential price hikes, the company was already projecting \$34 billion in revenue from the COVID-19 vaccine in 2022.⁹

Pfizer deserves credit for the development and production of this vaccine on a previously unimaginable timeline, and for the development of your new COVID-19 therapy, Paxlovid, which appears to reduce the risk of hospitalization and death from COVID-19 by almost 90 percent.¹⁰ But your company also benefitted from extensive support from the federal government. The vaccine relies on basic technology developed from federally funded research.¹¹ Pfizer also benefitted from a “significant incentive” from the U.S. government’s Operation Warp Speed, which supported Pfizer in July 2020 with a \$1.95 billion advance-purchase agreement for 100 million doses of the vaccine.¹² And Pfizer has earned extraordinary profits from the vaccine. Now, Pfizer’s proposed price hikes are estimated to bring in an additional \$2.5 - \$3 billion in annual revenue, marking yet another massive corporate payday from the ongoing pandemic.¹³

Pfizer has made past assurances that market pricing for a COVID-19 vaccine would be “unethical” and would amount to “taking advantage of a situation.”¹⁴ But that is exactly what the company is doing, and the impact of this price increase will fall hardest on the uninsured and underinsured, who could be forced to pay the full cost of the vaccine¹⁵ – likely putting it out of

⁷ Pharmaceutical Technology, “Top biopharmaceutical Covid-19 vaccine companies boosted with over 80% revenue growth,” September 15, 2022, <https://www.pharmaceutical-technology.com/comment/covid-vaccine-companies/>.

⁸ The Guardian, “Pfizer accused of pandemic profiteering as profits double,” Julia Kollwe, February 8, 2022, <https://www.theguardian.com/business/2022/feb/08/pfizer-covid-vaccine-pill-profits-sales>.

⁹ Pfizer, “PFIZER REPORTS STRONG THIRD-QUARTER 2022 RESULTS AND RAISES 2022 OUTLOOK,” press release, November 1, 2022, <https://investors.pfizer.com/Investors/News/news-details/2022/PFIZER-REPORTS-STRONG-THIRD-QUARTER-2022-RESULTS-AND-RAISES-2022-OUTLOOK/default.aspx>.

¹⁰ Pfizer, “Pfizer’s Novel COVID-19 Oral Antiviral Treatment Candidate Reduced Risk of Hospitalization or Death by 89% in Interim Analysis of Phase 2/3 EPIC-HR Study,” press release, November 5, 2021, <https://www.pfizer.com/news/press-release/press-release-detail/pfizers-novel-covid-19-oral-antiviral-treatment-candidate>.

¹¹ Scientific American, “For Billion-Dollar COVID Vaccines, Basic Government-Funded Science Laid the Groundwork,” Arthur Allen, November 18, 2020, <https://www.scientificamerican.com/article/for-billion-dollar-covid-vaccines-basic-government-funded-science-laid-the-groundwork/>; Public Citizen, “Analysis: Pfizer Vaccine Relies on U.S. Government-Developed Spike Protein Technology,” November 10, 2020, <https://www.citizen.org/news/analysis-pfizer-vaccine-relies-on-u-s-government-developed-spike-protein-technology/>.

¹² New York Times, “Was the Pfizer vaccine part of the government’s Operation Warp Speed?,” November 10, 2020, <https://www.nytimes.com/2020/11/10/health/was-the-pfizer-vaccine-part-of-the-governments-operation-warp-speed.html>.

¹³ Reuters, “Pfizer COVID vaccine price hike to boost revenue for years, rivals may follow,” Michael Erman, October 21, 2022, <https://www.reuters.com/business/healthcare-pharmaceuticals/pfizer-covid-vaccine-price-hike-seen-giving-revenue-boost-years-2022-10-21/>.

¹⁴ Axios, “Pfizer says it won’t put ‘huge price’ on coronavirus vaccine,” Bob Herman, June 10, 2020, https://www.axios.com/pfizer-coronavirus-vaccine-price-52a7b1bf-68f0-444b-8d87-2119ed007d7e.html?utm_source=twitter&utm_medium=social&utm_campaign=organic.

¹⁵ Kaiser Family Foundation, “Commercialization of COVID-19 Vaccines, Treatments, and Tests: Implications for Access and Coverage,” Jennifer Kates, Cynthia Cox, Juliette Cubanski, Jennifer Tolbert, and Karen Pollitz, October 18, 2022, <https://www.kff.org/coronavirus-covid-19/issue-brief/commercialization-of-covid-19-vaccines-treatments->

reach for many, and creating deadly risks as the pandemic continues to kill hundreds per day in the United States.¹⁶ Although Pfizer has pointed to its Patient Assistance Programs to help cover the cost of the drug for those without insurance,¹⁷ it is unclear how these will work or whether they will actually close the cost gap for the uninsured Americans who cannot afford the life-saving vaccine.

Thanks to billions of federal dollars used to support production and delivery of Pfizer's vaccine product, Pfizer's COVID-19 vaccine is currently free for patients in the United States.¹⁸ In the United States, over 650 million doses of the COVID-19 vaccine have been administered, and over 80 percent of the total U.S. population has received at least one dose.¹⁹ This is a landmark public health achievement. But this progress is now at risk because of Pfizer's greed. We urge you to back off from your proposed price increases and ensure COVID-19 vaccines are reasonably priced and accessible to people across the United States. And we request answers to the following questions by January 9, 2023:

1. How much revenue did Pfizer earn from the COVID vaccine in 2021? How much is the company expected to earn for the full 2022 calendar year?
2. How much revenue does Pfizer estimate it would earn from the COVID vaccine in 2023 if it does not increase the vaccine's price?
3. How much revenue does Pfizer estimate it will earn from the COVID vaccine in 2023 factoring in the increase in the vaccine's price?
4. How much profit did Pfizer earn from the COVID vaccine in 2021? How much is the company expected to earn for the full 2022 calendar year?
5. How much profit does Pfizer estimate it would earn from the COVID vaccine in 2023 if it does not increase the vaccine's price?
6. How much profit does Pfizer estimate it will earn from the COVID vaccine in 2023 factoring in the increase in the vaccine's price?
7. What is the estimated number of patients that will not be able to afford the price increase for the new COVID vaccine? How many more patients does Pfizer estimate will apply for the company's Patient Assistance Program under this price increase? How many of these patients does Pfizer estimate will not be eligible for this program?

[and-tests-implications-for-access-and-coverage/](#).

¹⁶ Centers for Disease Control and Prevention, "Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory," https://covid.cdc.gov/covid-data-tracker/#trends_weeklydeaths_select_00.

¹⁷ CNN, "Pfizer says Covid-19 vaccine list price could be \$130 per dose once government contracts end," Deidre McPhillips and Amanda Sealy, October 21, 2022, <https://www.cnn.com/2022/10/21/health/pfizer-covid-vaccine-price-commercialization>.

¹⁸ U.S. Department of Health and Human Services, "COVID-19 Vaccines," <https://www.hhs.gov/coronavirus/covid-19-vaccines/index.html#:~:text=COVID%2D19%20vaccines%20are%20available,protect%20people%20from%20COVID%2D19>.

¹⁹ Centers for Disease Control and Prevention, "COVID-19 Vaccinations in the United States," https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-total-admin-rate-total.

8. In 2022 to date, how many patients have sought assistance in paying for the COVID vaccine through Pfizer's Patient Assistance Program? How many have received some assistance? How many have had all of their costs for the vaccine covered by the Patient Assistance Program?
9. How much will Pfizer charge Medicare, Medicaid, and the VA for the COVID vaccine in 2023? How much does Pfizer estimate that it will charge private insurers for the vaccine, factoring in discounts and rebates?

Sincerely,



Elizabeth Warren
United States Senator



Peter Welch
United States Senator-elect