

# United States Senate

WASHINGTON, DC 20510

January 24, 2023

Stéphane Bancel  
Chief Executive Officer  
Moderna  
200 Technology Square  
Cambridge, MA 02139

Dear Mr. Bancel:

We write to you today regarding reports that Moderna is considering plans to dramatically increase the price of its COVID-19 vaccine, charging between \$110 and \$130 per dose for commercial distribution.<sup>1</sup> Your company has already earned billions in profits from the vaccine, which benefited from extensive taxpayer support for research and development,<sup>2</sup> and your proposed price increase threatens to reduce access to a life-saving vaccine while boosting your company's profits. In addition, your price increase closely follows Pfizer's October 2022 proposed increase for its COVID-19 vaccine,<sup>3</sup> raising questions about whether, and if so how, Pfizer's announcement has influenced Moderna's conversations around vaccine pricing. Moderna's reported plans to charge as much as \$130 per dose for its COVID-19 vaccines could prolong the public health crisis caused by COVID-19 and leave many uninsured Americans simply unable to afford the vaccine. We are writing today to request additional information.

Moderna's planned price hikes come after both Moderna and Pfizer raked in billions during the COVID-19 pandemic.<sup>4</sup> Moderna earned \$12 *billion* in net income in 2021,<sup>5</sup> and earlier this

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<sup>1</sup> Wall Street Journal, "Moderna Considers Price of \$110-\$130 for Covid-19 Vaccine," Peter Loftus, January 9, 2023, <https://www.wsj.com/articles/moderna-considers-price-of-110-130-for-covid-19-vaccine-11673289609>.

<sup>2</sup> Boston Globe, "The U.S. Government Has Now Paid Moderna \$6b for Vaccine Effort," Jonathan Saltzman, April 29, 2021, <https://www.bostonglobe.com/2021/04/29/nation/us-government-has-now-given-moderna-6b-vaccine-effort/>;

U.S. Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority, "COVID-19 Medical Countermeasure Portfolio," <https://www.medicalcountermeasures.gov/app/barda/coronavirus/COVID19.aspx?filter=vaccine>.

<sup>3</sup> 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/>.

<sup>4</sup> Reuters, "Pfizer, Moderna seen reaping billions from COVID-19 vaccine booster market," Michael Erman, August 13, 2021, <https://www.reuters.com/business/healthcare-pharmaceuticals/pfizer-moderna-seen-reaping-billions-covid-19-vaccine-booster-market-2021-08-13/>.

<sup>5</sup> Securities and Exchange Commission, Moderna, Inc., Form 10-K, p. 106, February 25, 2022, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1682852/000168285222000012/mrna-20211231.htm>.

month, Moderna projected that 2023 sales of the COVID-19 vaccine would be “at least” \$5 billion.<sup>6</sup> Moderna used these outsized profits to richly reward company executives and shareholders. Your compensation jumped 41 percent in 2021 to \$18.2 million due to “unprecedented growth.”<sup>7</sup> In addition, Moderna announced a \$3 billion buyback program in August 2022.<sup>8</sup>

When Pfizer announced plans to raise the price of its COVID-19 vaccine in October 2022,<sup>9</sup> we warned that these hikes could “pave the way for other vaccine manufacturers [...] to raise the prices of their vaccines.”<sup>10</sup> Moderna’s price hikes, aside from threatening public health, also raise questions about how Pfizer’s similar announcement of vaccine price hikes in October 2022 may have influenced Moderna’s decision-making process regarding its vaccine prices.

The production of the COVID-19 vaccine was an extraordinary achievement that saved more than 3 million lives in the United States and helped the world escape from the worst ravages of the pandemic.<sup>11</sup> But your company didn’t achieve this milestone alone: nearly every step of the vaccine development benefited from taxpayer funding, from basic research investment to absorbing manufacturing investment and market risk.<sup>12</sup> Moderna’s vaccine “grew out of a four-year collaboration between Moderna and the National Institute of Health,”<sup>13</sup> and the vaccine relies on basic technology developed from federally funded research.<sup>14</sup> And the company itself accepted \$10 billion in taxpayer money for research, development, and advanced purchases of the vaccine between April 16, 2020 and June 15, 2021.<sup>15</sup>

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<sup>6</sup> Fierce Pharma, “JPM23: Moderna reaped \$18.4B in COVID vaccine sales last year, projects at least \$5B in 2023,” Kevin Dunleavy, January 9, 2023, <https://www.fiercepharma.com/pharma/moderna-covid-vax-scarfed-sales-184b-2022-company-says#:~:text=The%20company%20said%20it%20had,reach%20at%20least%20%245%20billion..>

<sup>7</sup> Fierce Pharma, “Moderna CEO’s pay jumps 41% to \$18.2M as COVID vaccine giant expands globally,” Angus Liu, March 10, 2022, <https://www.fiercepharma.com/pharma/moderna-ceo-stephane-bancel-pay-jumps-41-182m-covid-vaccine-giant-expands-globally>.

<sup>8</sup> Bloomberg, “Moderna Plans \$3 Billion Buyback With Covid Market Shifting,” Angelica Peebles, August 3, 2022, <https://www.bloomberg.com/news/articles/2022-08-03/moderna-to-buy-back-shares-with-covid-shot-outlook-steady?leadSource=verify%20wall>.

<sup>9</sup> 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/>.

<sup>10</sup> Letter from Senator Elizabeth Warren to Pfizer CEO Albert Bourla, December 12, 2022, <https://www.warren.senate.gov/imo/media/doc/2022.12.12%20Letter%20to%20Pfizer%20on%20Vaccine%20Price%20Hikes.pdf>.

<sup>11</sup> CNN, “Covid-19 vaccines have saved more than 3 million lives in US, study says, but the fight isn’t over,” Jen Christensen, December 13, 2022, <https://www.cnn.com/2022/12/13/health/covid-19-vaccines-study/index.html>.

<sup>12</sup> Health Affairs, “It Was The Government That Produced COVID-19 Vaccine Success,” Richard G. Frank, Leslie Dach, and Nicole Lurie, May 14, 2021, <https://www.healthaffairs.org/doi/10.1377/forefront.20210512.191448/>.

<sup>13</sup> New York Times, “Moderna and U.S. at Odds Over Vaccine Patent Rights,” Sheryl Gay Stolberg and Rebecca Robbins, November 9, 2021, <https://www.nytimes.com/2021/11/09/us/moderna-vaccine-patent.html>.

<sup>14</sup> 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/>.

<sup>15</sup> Pharmaceutical Technology, “Top Ten Pharma Companies in 2020,” Updated June 1, 2021,

Thanks to billions of federal dollars used to support production and delivery of Moderna's vaccine product, Moderna's COVID-19 vaccine is currently free for patients in the United States. Over 665 million doses of the COVID-19 vaccine have been administered in the U.S., and many million more worldwide, and more 80 percent of the total U.S. population has received at least one dose.<sup>16</sup> This is a landmark public health achievement. But this progress may be put at risk because of Moderna's greed, which has the potential to increase vaccination costs for millions of un- and underinsured Americans. We urge you to reconsider 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 February 7, 2023.

1. How much revenue is Moderna expected to earn from the COVID-19 vaccine for the full 2022 calendar year?
2. How much revenue does Moderna estimate it would earn from the COVID-19 vaccine in 2023 if it does not increase the vaccine's price?
3. How much revenue does Moderna estimate it will earn from the COVID-19 vaccine in 2023 factoring in the increase in the vaccine's price?
4. How much profit did Moderna earn from the COVID-19 vaccine in 2021? How much profit is the company expected to earn from its vaccine for the full 2022 calendar year?
5. How much profit does Moderna estimate it would earn from the COVID-19 vaccine in 2023 if it does not increase the vaccine's price?
6. How much profit does Moderna estimate it will earn from the COVID-19 vaccine in 2023 factoring in the increase in the vaccine's price?
7. How much will Moderna charge Medicare, Medicaid, and the VA for the COVID-19 vaccine in 2023? How much does Moderna estimate that it will charge private insurers for the vaccine?
8. Did Moderna executives, officials, or any other Moderna-affiliated individual have any direct or indirect communication with Pfizer about the companies' price increases for their COVID-19 vaccines? If so, please describe the timing and nature of these discussions.


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<https://www.pharmaceutical-technology.com/features/top-ten-pharma-companies-in-2020/>; Boston Globe, "The U.S. Government Has Now Paid Moderna \$6b for Vaccine Effort," Jonathan Saltzman, April 29, 2021, <https://www.bostonglobe.com/2021/04/29/nation/us-government-has-now-given-moderna-6b-vaccine-effort/>; U.S. Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority, "COVID-19 Medical Countermeasure Portfolio," Accessed October 4, 2021, <https://www.medicalcountermeasures.gov/app/barda/coronavirus/COVID19.aspx?filter=vaccine>.

<sup>16</sup> 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](https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-total-admin-rate-total).


9. Did Moderna employees have any internal discussions about the Pfizer price increase when determining Moderna's proposed price increase for its COVID-19 vaccine? If so, please describe the timing and nature of these discussions.

Sincerely,



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Elizabeth Warren  
United States Senator



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Peter Welch  
United States Senator