



NEWS RELEASE

OFFICE OF ATTORNEY GENERAL HENRY MCMASTER
STATE OF SOUTH CAROLINA

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McMaster Warns Of Flu Vaccine Price Gouging

Columbia, S.C. - Attorney General Henry McMaster announced today that consumers should be on the alert, and immediately report, suspected price gouging by either distributors or providers of the flu vaccine.

Attorney General McMaster has alerted the Centers for Disease Control and Prevention to contact his office with any complaints and inquiries about vaccine price gouging in South Carolina. The CDC is neither equipped nor empowered to take action against these alleged law violations.

"We are not presently aware of any instances of price gouging taking place in South Carolina," said Attorney General McMaster. "However, due to the limited distribution of the flu vaccine this season, the opportunity is present for a distributor or provider to gouge consumers."

"Anyone seeking to exploit this shortage of medicine for financial gain will be prosecuted fully and aggressively," continued McMaster, who also noted that he would forego a flu shot this year.

A new survey conducted October 8-13, 2004 by the American Society of Health-System Pharmacists (ASHP) reveals that some pharmaceutical distributors are actively soliciting U.S. hospitals and offering the flu vaccine at vastly inflated prices. The survey of more than 2800 hospital pharmacy directors was conducted by the ASHP to assess the effect of the flu vaccine shortage on hospitals and patients. The survey report is available online at:
<http://www.ashp.org/emlibrary/Flu%20Vaccine%20Survey%20Report.pdf>.

The survey found that more than 55 percent of respondents report opportunistic vendors offering to sell flu vaccine at highly inflated prices have contacted them. Of these, more than 80 percent report being offered the vaccine at more than four times the original market value, and nearly 20 percent have been offered the vaccine at \$800 or more per 10-dose vial (more than 10 times the original market value). According to the ASHP, the national average cost for a 10-dose vial is approximately \$80-100. The average national vaccination cost to consumers is \$10-15.

Also this week, Kansas Attorney General Phill Kline filed suit against Fort Lauderdale-based Meds-Stat, alleging that Meds-Stat proposed to deliver and sell a vial of five doses of flu vaccine to a Kansas City,
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Kansas pharmacy for \$900 with the knowledge that the vaccine was to be used in a "nursing home." On October 1st, the price for the same vial was listed as \$85.

South Carolinians who suspect price-gouging activity are encouraged to contact the Attorney General's Office at (803) 734-3970, or via email at: info@scattorneygeneral.com.

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