

Moderna CEO says private investors funded COVID vaccine—not billions from gov't

Enlarge / Moderna pharmaceutical and biotechnology company's CEO Stéphane Bancel speaks during a session of the World Economic Forum annual meeting in Davos on January 18, 2023.

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Moderna CEO Stéphane Bancel on Monday pushed back on criticism of the company's plans to raise the price of its mRNA-based COVID-19 vaccines by 400 percent, arguing that the billions of dollars in federal funding the company received played little role in the vaccine's development.

Speaking at the Wall Street Journal Health Forum, Bancel suggested that the vaccine's development is thanks to private investors and that the federal funding merely hastened development that would have occurred regardless. The comments came in response to a question of whether the company has a "moral obligation" to give back to the taxpayers who helped develop the life-saving immunization—presumably by not dramatically hiking the vaccine's price as it moves from federal distribution to the commercial market this year.

While the government most recently paid \$26 per dose for

Moderna's updated booster dose, the company is planning to raise the price of its shots to \$110 to \$130 per dose.

"The platform was funded by private investors. The platform was not funded by the government," Bancel argued. "What the government did—and we're very grateful for it and I think they got a lot of value out of it—is to accelerate the development of a vaccine. We would have funded the vaccine, it would just have taken longer," he said. The company also "didn't get a penny" from the government to help with manufacturing, he added.

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Amid the pandemic, Moderna received nearly \$10 billion in federal funding to develop, test, and provide vaccine doses for the US population. That includes approximately \$1.7 billion from an April 2020 agreement with the Biomedical Advanced Research and Development Authority (BARDA), which supported late-stage clinical development. Worldwide, the company also made roughly \$36 billion in vaccine sales, according to The New York Times.

But federal support for the lucrative vaccine began before the pandemic. Moderna developed its vaccine with federal researchers at the National Institutes of Health. Moderna partnered with the NIH's National Institute of Allergy and Infectious Diseases (NIAID) in 2016 to create a general design for mRNA vaccines. In December, Moderna paid the NIH \$400 million for borrowing a molecular technique developed by NIH researchers for the design of the company's vaccine.

The NIH is currently in a bitter patent dispute with Moderna after the company purposefully excluded three NIAID researchers from the principal patent for the vaccine.

Bancel's comments are sure to rile critics. And they come just two weeks ahead of a Congressional hearing by the Senate Health, Education, Labor and Pensions Committee on the

proposed price hike for the vaccine. The hearing, scheduled for March 22, is titled "Taxpayers Paid Billions For It: So Why Would Moderna Consider Quadrupling the Price of the COVID Vaccine?" Bancel has agreed to testify.

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