

# The Star-Ledger

## Morris doctors group alleges price gouging of flu vaccine

BY MARGARET MCHUGH  
STAR-LEDGER STAFF

A Roxbury pediatrics practice claimed that a major distributor of the influenza vaccine pulled a price-gouging scheme on medical providers nationwide by charging 80 percent more than the agreed-upon price just before the fall flu vaccination season was about to begin.

West Morris Pediatrics yesterday filed a class-action lawsuit against the Long Island-based Henry Schein Inc., which claims to be one of the largest distributors of vaccines. West Morris Pediatrics dealt with sales representatives from Caligor, a division of Henry Schein, according to legal papers filed in Superior Court in Morristown.

"They were, frankly, being scammed," said Livingston attorney Eric Katz. Doctors were informed in August that the price per vial — which contains 10 doses — would be \$65, 80 percent more than the price they had agreed to pay when they placed their order months earlier, Katz said.

"Some of them were given a take-it-or-leave-it proposition," Katz said. Some Caligor sales representatives had even given written confirmations of the lower price, he noted.

Katz said doctors he spoke to were not given any reason for the price hike, and he added that the company was obliged to charge the agreed-upon amount no matter what.

Employees at Henry Schein in Melville, N.Y., said only spokeswoman Susan Vassallo could comment, and she did not return a call.

According to the lawsuit, Caligor sales representatives began soliciting flu vaccination orders in November 2000 for the 2001-2002 flu season at a guaranteed "pre-booked price" of \$35.99 per vial when 25 or more vials were purchased. The price was higher for smaller orders.

But in February 2001, Caligor's vice president of sales notified the sales force through a corporate-

wide voice mail that the company would not honor the pre-booked price on thousands of vials that had been ordered, the lawsuit said.

By August, when doctors were notified of the increase, they feared they wouldn't be able to find an alternate supply, and accepted the orders, Katz said.

Paying the higher price cost West Morris Pediatrics about \$900 more, Katz said. But, he said, that turns into big money when you consider that Caligor provides vaccines to tens of thousands of medical providers.

In the winter of 2000-2001, there was a nationwide shortage of the flu vaccine that made it hard for doctors to obtain it for their patients and also led to the cancellation of many adult immunization clinics.