

# Transcript: Why rapid COVID tests are so freaking expensive

**Dan:** Hey there. As I was starting to write the script for this episode, I got an email. From Walmart. It said, "Your package has been delivered."

And I went RIGHT downstairs to grab that thing.

**Oh boy,**

I did NOT want to risk some porch pirate getting it. I opened the door got it inside

**let's see, is this what I hope it is?**

Took out my keys and ripped the box open, and YEP

(Woo-hoo! ... fuck)

**Dan:** Yeah, THAT was a short-lived burst of joy.

**This is like It's the shittiest thing that this is the most excited. I've been about receiving a package for a really, really long time.**

Yeah. Because you know what was inside that box? Ten little two-packs of COVID tests. Walmart sells em at cost-- 14 dollars a two-pack-- which is like nine or ten bucks less than anywhere else. When you can get them.

Which completely sucks!

Because, these are my family's key-- not to living a totally normal life, but to doing normal things. Having dinner with my mom, who's 91. Occasionally seeing a friend without a mask. Without worrying that we could be passing along COVID.

Especially with this super-transmissible Omicron variant, that's no freaking joke.

And even at seven bucks a pop, these tests are STUPIDLY expensive. I mean, it's the holidays. I wanna see a few people.

Today on the show, WHY we want these tests. And why they're so expensive and hard to find.

... in the United States. Because guess what? It's NOT this way in other countries. It didn't have to be this way here.

But, you know, on the upside: some people are DEFINITELY making a nice dollar this way.

This is An Arm and a Leg, a show about why health care costs so freaking much, and what we can maybe do about it. I'm Dan Weissmann-- I'm a reporter, and I like a challenge, so my job on

this show is to take on one of the most enraging, terrifying, depressing parts of American life, and bring you a show that's entertaining, empowering, and useful.

And I should say upfront: Parts of this episode? May be a little on the angry side. There's stuff to be mad about.

But I hope you'll stick with me for this first part: What these tests are, and why we want more of these tests. I want YOU to know why they're important. Because I want you to celebrate, and see people you love, and I want you to be safe.

So give me a few minutes here, and then I can send you off to drink eggnog, or hot chocolate, or cocktails with funny names.

Of course, who am I to give you health advice? Not a doctor, that's for sure. So I called somebody who is.

**Celine Gounder: I'm Dr. Celine Gounder. I'm an infectious disease specialist and epidemiologist at the NYU Grossman school of medicine and Bellevue hospital. And I am the host of the epidemic podcast.**

**Dan:** Celine put out EIGHTY episodes of that podcast about the COVID pandemic. Later she advised the Biden transition team as they made their plans for fighting COVID.

She's a good person to help make sure I've got this straight.

OK, we're talking here about Rapid Antigen Tests-- the most common one you'll see is called Binax Now, from Abbott. You get them at the drugstore, swab yourself at home, and get results at home in about 15 minutes, like a pregnancy test.

The tests we're more familiar with are called PCR tests. That's when you go somewhere, like a doctor's office, they swab you, and ship the thing off to a lab. If you're lucky, you might get results late the same day.

And you may have heard: PCR tests are more sensitive! Which is true. They are. They're also overkill for our particular purpose, which is evaluating: Is it safe for other people to be around me without a mask right now?

**Celine Gounder: I think this is something people still don't understand.**

Um, you know, I keep hearing people say, yeah, but PCR is more accurate. That's, that's the best test. That's what I want.

And it really depends on what you're testing for or why you're testing.

**Dan:** Like as a physician in a hospital, you want a test that tells you: Hey, this patient with a severe respiratory infection. I'm treating them for COVID. Is that what I should be treating them for?

That's when you want a really-sensitive test. If that test comes back negative, you know: Nope! I don't need to treat them for COVID.

**Celine Gounder:** in the clinical scenario, you're trying to rule out... So maybe you have COVID maybe have the flu, maybe you have bacterial pneumonia. And then I try to rule out and narrow your treatment accordingly.

**Dan:** So if it takes a day or two to get results, no big. I'm treating you already, I'm isolating you already.

So the PCR test is a great diagnostic test: It guides treatment for somebody who's sick

A rapid test is a public-health measure.

**Celine Gounder:** the decisions you're making with a public health test are very different because what you're really trying to figure out is, is that person infectious, contagious to others right now.

**And so you really need that test results in the moment.**

**Dan:** And that is what the rapid-antigen tests do. They don't tell you: For sure, dude, you have NOT been infected with COVID-19. If you're feeling crummy, you can cross out COVID as a cause.

They DO tell you: Could you get somebody sick right now? Should you especially stay away from anybody who's vulnerable? Who's older-- like my mom-- or immune-compromised, or too young to get a vaccine, or whatever.

**Celine Gounder:** And that's where that supposedly, you know, drop in sensitivity of the rapid test may actually work in your favor here because you're really only detecting the people who are contagious.

**Dan:** PCR tests are not only too slow, they're basically too sensitive.

**Celine Gounder:** you could have resolved your active infection, but still have remnants of genetic material. So you're still testing PCR positive, even though you're, you know, if there's no more infection there.

**Dan:** So, look, for example: The weekend before Thanksgiving, I went to a party. Everybody was supposed to be vaccinated. I get there early on, very few people, great big room, nobody wearing masks, I take mine off. An hour later, tons of people-- people talking LOUDLY to be heard in a big crowd. NOT the same thing.

I'm vaccinated and boosted, but that's not the same as total immunity. And the virus can take up residence in my nose for six days or more, even if the vaccines mean my immune system won't let it get farther.

And Thanksgiving falls in that window. Can I go celebrate with my 91 year-old mom? With my cousin and his son who have Type 1 diabetes, meaning weakened immune systems?

I called doctor friends who were like, look:

If you take a PCR test the day before Thanksgiving, MAYBE you'll get results in time for Thanksgiving, but guess what? In the day since you took that PCR test, you could be growing a

viral load. You take an antigen test JUST before you leave for the party, and you test negative? You should be pretty safe to be around for four to eight hours. I ran that by Celine Gounder.

**[00:08:39] Celine Gounder:** I mean, I think that's a, a reasonable strategy. I think the, you know, it's, it's hard to say exactly, you know, is it four hours is the eight hours because everybody's a little bit different, right? Not, everybody's going to have the exact same incubation period for the virus,

**[00:08:54] Dan:** So, you know NO SURE THING. But that's what we did. We took antigen tests before heading to my cousin's house. Everybody did. We were all negative. We had a great time and didn't worry too much. And my cousin made an AMAZING turkey. Really good. And we're all OK.

And that's what I want for you. So that's the main thing: This is me, your virtual Jewish mother saying, BUBBE. Get yourself some of these tests if you can.

Except of course they're super expensive. I'm like racing down the stairs because Walmart delivered my seven-dollar-a-pop tests here.

And the story of why they're so expensive and hard to find is super interesting. We'll get into it in the second part of the show, but if you don't need that kind of pissed off energy as you're getting your holiday on, I'm like: YES. Go celebrate. Bake cookies. Enjoy.

But two things: One. Stay safe out there, as safe as you can.

And two, of course: Thank you for supporting this show!. And please keep it coming. We've got so much ass-kicking to do in 2022. And we've got a special campaign going right now. The place to go is arm and a leg show dot com, slash, match. That's arm and a leg show dot com, slash match.

OK. Go celebrate, have fun. Or stick around for the story of how the U.S. ended up being the place where these tests are hard to get and horribly expensive-- and who's making bank because of it.

That's right after this.

This season of An Arm and a Leg is a co-production with Kaiser Health News-- that's a non-profit newsroom covering health care in America. KHN is not affiliated with the giant health care outfit Kaiser Permanente. We'll have more information about Kaiser Health News at the end of this episode.

So, these rapid tests. They're EXPENSIVE. And sometimes just hard to even find. Here's one guy's story:

**Eric Umansky:** I was trying to, find tests because we had a grandparent visiting , Nobody was sick, just a due diligence thing.

And I went to 1, 2, 3, 4 local pharmacies and couldn't find any

**Dan:** And that guy, Eric Umansky, is an editor at ProPublica. Soon, he and his colleague Lydia DePillis, were digging into the question: What gives? Why are these tests so expensive? Why aren't there more of them?

Because it's not this way in other places

**Eric Umansky:** Germany, UK many other European countries.

**Lydia DePillis:** plus

South Korea, Mexico, and not just Europe.

**Dan:** That's Lydia DePillis. She covers the federal government agencies for ProPublica. Lydia and Eric found, there were TWO things other countries did that ours didn't.

First, of course other governments BOUGHT a lot of tests, and just made them available for free. We'll get into whether that would've been too expensive or whatever, but

**Eric Umansky:** the second thing that's far less obvious is , that the governments there have approved far more, , tests. There's more competition.

And so the Abbott test that's 23 bucks for two here sells for half as much in Europe.

**Lydia DePillis:** Well, yeah. I mean, Abbott will tell you that it, this is a slightly different format, but chemically it is the same test. It would perform the same in a trial.

**Dan:** ones here, we get our gold

**Lydia DePillis:** Well, they're packaged with a lot more plastic, so that's why they

**Eric Umansky:** That's what accounts for the big price difference more plastic. God bless America.

**Dan:** Yeah, no. Abbott charges more here because they can. Because they don't have lots of competition.

**Lydia DePillis:** Yeah, that was a really gobsmacking realization when the added people on their earnings call.

**Abbott Operator:** welcome to Abbott's third quarter 2021 earnings conference call.

] **Lydia DePillis:** the analysts were like, wait a minute.

**Vijay Kumar - analyst:** Going back to testing, that's a sequential step down.

**Lydia DePillis:** You say, you're not gonna make as much from COVID tests. Why is that? And they're like, oh yeah. W we're seeing more entrance to the markets or we're probably going to have to lower our prices a little bit

**Robert Ford Abbott CEO:** I baked in, uh, some price pressure

**Lydia DePillis:** . But if we don't see those interests, like we definitely won't lower our prices and it was just out there

**Dan:** Yeah, so WHY doesn't Abbott have more competition? Because for a long time, the FDA only approved their test and a couple of others. And it's not like there weren't other folks out there with tests to authorize. Tests that other countries found perfectly acceptable. Like the UK.

**Eric Umansky:** you had, a massive purchase, to the tune of billions of pounds, from an American company for a test that was never approved in the United States, that the national health service bought in massive bulk

**Dan:** Yeah. This was a test the FDA didn't bother to approve. Not rejected. The FDA just didn't seem to prioritize getting most tests approved. The FDA said, hey, we only have so many people, and a lot of priorities, but...

**Dan:** Yeah. Lydia talked to an FDA reviewer who was evaluating tests. He told her "I had a lot of free time."

**Lydia DePillis:** he was really frustrated that when he would make a decision on a test, it would go up the chain and then his higher ups wouldn't render a decision on it. So it would stay in the queue for months and months.

**Dan:**He was so frustrated, he actually quit the agency.

And here's the other thing: There were a couple of companies that got very fast-track approval for their tests. And it looks a little weird, because of who's at the top of the FDA food chain for this whole review process. A guy named Tim Stenzel.

**Eric Umansky:** and Tim Stenzel used to work at Abbott. One of the companies that was approved and, at Quidel. The other company that was approved

**Dan:** And Eric is quick to say: Hey, we don't know of any evidence that there was any untoward influence.

**Eric Umansky:** what we do know is that, Stenzel reached out to Quidell very early on and said, you guys should, create a test.

**Dan:** I mean, they know that because Quidell's CEO said so in a video: The only reason they created a test at all-- he calls it an "assay" here, fancy term-- is because they were asked.

I got a call from somebody that I respect at the FDA. Who said, are you going to be developing assays? I said, I don't think so. And he said, would you, because I think we're going to need it

**Dan:** And the FDA confirmed to ProPublica that Stenzel was that person calling from the FDA.

**Eric Umansky:** Now we asked the FDA about that and they said, look, we reached out to a lot of people because we want tests. And then we said, well, that's great.

We totally agree. Who else did you reach out to? And they said, um, we're limited by confidentiality. We're not in a position to tell you

**Dan:** I'm telling you, it does look weird, but Lydia doesn't necessarily think it was nefarious. And that it's not a bad thing for a regulator to have relationships in an industry.

**Lydia DePillis:** you would want your regulator in an emergency to the uses of relationships to make sure the tests are available.

**Dan:** Like, it's good, in an emergency, to have a regulator who can say, "We need tests? I know a guy."

It's just that it's maybe not so great for big companies to be able to say: "The country needs tests. Big opportunity there. I know a guy."

But Lydia says: Stenzel did have a strategy here. But executing on that strategy required authority his agency didn't have.

**Lydia DePillis:** Stenzel and his boss, Jeff Shuren wrote publicly that look, we don't actually think it's an effective use of our resources to be authorizing all of these tests. We think we should have authorized like a handful of tests and then bought a shitload of them.

And. The problem

is that didn't

happen.

**Eric Umansky:** They weren't the ones who can authorize buying them.

**Lydia DePillis:** So that might've been fine if they actually had the billions of dollars to buy them, but they didn't. So in the absence of that, it would have been nice to have more authorized.

**Dan:** Yeah, here we're getting back to the OTHER thing that this country didn't do: Have the government actually buy tests. And that's part of why the tests are hard to find. I mean, over the summer, Abbott actually shut down a factory that was making these tests.

They made that decision when lots of people were getting vaccinated and Delta hadn't emerged.

**Lydia DePillis:** even at that time, there were public health experts from Tony Fauci, Rochelle Walensky saying we still need tests.

It still needs to be a part of our protesting or our pandemic response, but the policy wasn't following through to make it so that companies saw it as worth their while to continue producing them.

**Dan:** In other words, Abbott wasn't getting big orders from the U.S. government for tests. So...

**Lydia DePillis:** they were getting hammered by investors saying like, why are you going to produce a bunch of these tests if there's no market for them?

**Dan:** And even now, the Biden Administration does not seem real interested in the government actually distributing a lot of tests. That's putting it mildly.

When Biden's press secretary, Jen Psaki, got asked recently, Geez, why are these tests so rare and expensive here, when that's not the case in other countries... she raised the idea of the government buying them here as something ... kind of ridiculous.

**Jen Psaki:** Should we just send one to every American?

**Mara Liasson:** Maybe

**Jen Psaki:** then, then what ha. Then what happens if you, if every American has one test, how much does that cost? And then what happens after that?

**Dan:** And I don't know. But I know two things: One, these tests can't be THAT expensive if you buy them in bulk. A reporter at Kaiser Health News talked to a biotech co-working lab that really wanted people to test before coming in-- and so they were importing them from Germany at a dollar fifty per.

And then this: as I was finishing this script, I heard from a friend who was out, scouring the local pharmacies for these tests. The local Duane Reed wanted 50 bucks for a two-pack of Abbott tests. Which is twice the going rate. Somebody there saw an opportunity. After a while, my friend found a place selling another brand for eighteen bucks a two pack. Limit three per customer.

I mean, I told you this would make you mad.

And now I'm telling you: Get tests if you can, if you want to do normal type things. Get people you're doing normal-type things with to take them just before seeing you, if you can.

And maybe lay kinda low for a while, if you can. This omicron wave is coming fast, and you don't wanna get caught in it. I'm sorry. Like a lot of things we report on in this show, this situation just totally blows, and we've gotta just do the best we can..

But then there's this: I can't go another minute without saying THANK YOU. I have been asking you to support this show during our year-end NewsMatch campaign, and you have been coming through. In a BIG way.

And some of you have also been sending the NICEST notes, holy crap. Here's one.

I'm so grateful to have found your show! I've been able to bookmark resources I didn't know existed and (more importantly) pass that info on to a friend who needs it right now. Thankfully I haven't had any major fights...yet, but now I feel much better "armed" to fight. Again, thank you thank you THANK YOU!

Holy moly, thank YOU. I share these notes with everybody who works on this show, and you could not be making us any happier.

And here's something else amazing: We have actually raised more than NewsMatch will match.

Which means they've got a new challenge for us: Raise our own matching funds. They call it a community match. And if we do it, we get a reward.

So if you can, I'd love for you to contribute: Five thousand is the target. We hit that, we get a thousand-dollar bonus from the Knight Foundation.

If you're game to help us get that bonus-- and to match funds that others have already come forward with-- you'll be helping us in a big way.

We've got some BIG projects we're aiming for in the next year, ways to bring this community together, and ways to bring this information to more people. And the more support we can line up right now, the more we can count on doing in 2022.

So if you're game to help, the place to go now is: arm and a leg show dot com, slash, match  
That's arm and a leg show dot com, slash, match.

Any support that comes in through that page goes to our new community matching fund. It matches other people's donations, which are still coming in, and goes toward earning that reward from the Knight Foundation. We can get there, with your help.

That's arm and a leg show dot com, slash, match.

Thank you SO much. We'll have a little bonus episode before the year's out, so I'll catch you soon.

Till then, and for serious: Take care of yourself.

This episode of An Arm and a Leg was produced by me, Dan Weissmann, with a lot of help from our producer, Emily Pisacreta, and edited by Marian Wang.

Daisy Rosario is our consulting managing producer. Adam Raymonda is our audio wizard. Gabrielle Healy is our managing editor for audience, and she edits the First Aid Kit newsletter.

Our music is from Dave Winer and Blue Dot Sessions.

This season of an arm and a leg is a co production with Kaiser Health News. That's a nonprofit news service about healthcare in america, an editorially independent program of the Kaiser Family Foundation. Kaiser Health News is not affiliated with Kaiser Permanente, the big healthcare outfit. They share an ancestor. This guy, Henry J Kaiser. He had his hands in a lot of different stuff.

Really different. Built a big chunk of the U.S. cargo fleet for World War II. Made cars- including the Jeep. Poured concrete. Made aluminum foil.

When he died more than 50 years ago. He left half his money to the foundation that later created Kaiser Health News. You can learn more about him and kaiser health news at arm and a leg show dot com slash kaiser.

Diane Webber is national editor for broadcast and Taunya English is senior editor for broadcast innovation at Kaiser Health News. They are editorial liaisons to this show.

Thanks to Public Narrative -- a chicago-based group that helps journalists and non-profits tell better stories-- for serving as our fiscal sponsor, allowing us to accept tax-exempt donations. You can learn more about public narrative at [www dot public narrative dot org](http://www.dotpublicnarrative.org).