

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB 1533

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hope

3. Committee: Health, Welfare and Institutions

4. Title: Required immunizations; meningococcal conjugate.

5. Summary: Requires the Board of Health to include in regulations governing the immunization of school children a requirement for one dose of meningococcal conjugate (MCV4) administered before the child enters the sixth grade. The bill has a delayed effective date of July 1, 2018.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	773,834	0	General
2018	2,208,674	0	Nongeneral
2019	798,125	0	General
2019	2,279,294	0	Nongeneral
2020	804,582	0	General
2020	2,296,364	0	Nongeneral
2021	812,192	0	General
2021	2,316,846	0	Nongeneral
2022	817,538	0	General
2022	2,330,489	0	Nongeneral

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	130,492	Nongeneral
2019	132,873	Nongeneral
2020	130,619	Nongeneral
2021	128,659	Nongeneral
2022	126,153	Nongeneral

8. Fiscal Implications:

Virginia Department of Health

This bill would have a fiscal impact on the Commonwealth. This bill targets the same age group as the currently administered Tdap vaccine and as a result there is a comparable estimate for the number of unvaccinated students who would require the meningococcal conjugate vaccine (MCV4). Based on Tdap vaccine administration data, 99 percent of sixth grade students will be unvaccinated for meningococcal bacteria under this new requirement.

Expenditure and revenue data estimates are based on the average percent of vaccines that are administered at a health department. As a result, if more students are vaccinated at a health department than estimated this could potentially affect expenditure and revenue estimates. It is also assumed that 25 percent of the MCV4 doses will be purchased using general funds at an estimated cost of \$517,306. The other 75 percent of MCV4 doses will be purchased using federal Vaccines for Children Program funding at an estimated cost of \$2,286,333. The revenue estimate reflects the revenue generated from reimbursement of claims for administration fees from insurance providers and third-party payers for children who received either general fund vaccine doses or federally funded vaccine doses.

Department of Medical Assistance Services

Meningococcal vaccinations are currently covered services through Medicaid and FAMIS. This bill would make the vaccinations required for public and private school entry and therefore higher utilization would be expected. Based on paid claims for other vaccinations that are required for school, such as HPV for females, Chicken Pox, Tdap, and Hepatitis B, DMAS expects an additional 140 percent of expenditures for the Meningococcal vaccine due to the proposed legislation. In state fiscal year 2016, DMAS reimbursed \$44,348 for Medicaid fee-for-service claims for the Meningococcal vaccine. With the proposal, DMAS estimates that in state fiscal year 2018, additional expenditures would be approximately 1.4 times those reimbursements plus an additional two percent growth per year. Using similar assumptions DMAS estimates additional fee-for-service expenditures in FY 2018 of \$64,596.

The vaccinations are also covered by managed care plans, which follow the same Vaccine for Children rules as the Fee-For-Service claims. The Department reports that the majority of children get their vaccinations through managed care and the rates for state fiscal year 2018 would reflect the increased utilization. Using the same expected factor of approximately 1.4 times as much usage and expenditures DMAS estimates an additional \$913,841 total funds paid through capitation payments.

Expenditures in the Medicaid program are matched 50/50 by federal funds. The Affordable Care Act and The Medicare Access and CHIP Reauthorization Act provided an enhanced federal match rate of 88 percent for expenditures for the FAMIS and CHIP programs. These match rates will be in effect for the current biennium. However, for the purposes of this estimate, DMAS assumes these match rates continue in the out years; however, these rates are dependent on future Congressional actions.

The total impact estimated for DMAS is \$978,437 with a general fund share of \$272,816.

Expenditure Recap:

<i>Agency</i>	<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
DMAS	2018	272,816	0	General
VDH	2018	501,018	0	General
DMAS	2018	705,621	0	Nongeneral
VDH	2018	1,503,053	0	Nongeneral
DMAS	2019	278,271	0	General
VDH	2019	519,854	0	General
DMAS	2019	719,733	0	Nongeneral
VDH	2019	1,559,561	0	Nongeneral
DMAS	2020	283,837	0	General
VDH	2020	520,745	0	General
DMAS	2020	734,128	0	Nongeneral
VDH	2020	1,562,236	0	Nongeneral
DMAS	2021	289,514	0	General
VDH	2021	522,678	0	General
DMAS	2021	748,811	0	Nongeneral
VDH	2021	1,568,035	0	Nongeneral
DMAS	2022	295,304	0	General
VDH	2022	522,234	0	General
DMAS	2022	763,787	0	Nongeneral
VDH	2022	1,566,702	0	Nongeneral

9. Specific Agency or Political Subdivisions Affected: Department of Health, Department of Medical Assistance Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.