

Department of Health and Human Services, Health Division
Vaccine Purchasing Policy Document
July 1, 2008

This paper has been developed by the Department of Health and Human Services, Health Division, Bureau of Community Health, State Immunization Program to present policy alternatives and recommendations to address a funding shortfall in the childhood vaccine purchasing program. It is a result of a meeting held on Monday May 5, 2008 in which Director Willden was briefed by Richard Whitley, Health Division Administrator and Doug Banghart, Immunization Program Manager on the impact of a 22% reduction in the federal discretionary vaccine funding.

The paper provides necessary background information on Nevada's childhood immunization rates, summarizes issues that contribute to successful immunization outcomes, defines the problem, provides four policy alternatives, discusses the possible impact of two of the alternatives on commercial health insurers and health plans, makes recommendations and proposes next steps.

As more vaccines are added to the childhood vaccination schedule, there are increased costs; however there has been a decrease in available federal resources to vaccinate Nevada's children. Federal Vaccines for Children (VFC) entitlement funding from the CDC has attempted to provide resources in anticipation of this trend, while the Federal Section 317 discretionary funding from the CDC has fallen. In light of these issues, it is no longer possible to maintain the program as its current level without either increased funding from the state or implementing a change in program policy. The latter is the recommendation of the Health Division.

Immunization Rates

The Healthy People 2010 goal for the United States is to have 80% of children who are two years of age properly immunized. Each year, the Centers for Disease Control and Prevention (CDC) collects data using the National Immunization Survey, (NIS) from every state to measure this rate. There are two main vaccine series that are used to determine immunization rates – one is based on a five-dose series, the other a six-dose series. The six-dose series is the federal government standard to measure performance; the latest survey was performed in 2006 and surveyed children between 19 and 35 months of age.

The 4:3:1:3:3 series (5-dose series) consists of the following doses: 4-diphtheria/tetanus/pertussis (DTaP), 3- polio, 1- measles/mumps/rubella (MMR) 3- Haemophilus influenza type B (Hib), and 3- Hepatitis B vaccines. In 2006, 4:3:1:3:3 coverage levels for the U. S. were 80.6% ($\pm 1.0\%$) while the rate for Nevada was 64.7% ($\pm 7.3\%$). Nevada's coverage levels for this series decreased 2.0% ($\pm 9.5\%$) from the 2005 estimate of 66.7% ($\pm 6.0\%$); however this decrease is not statistically significant.

The 4:3:1:3:3:1 series (6-dose series) consists of the doses provided above as well as the addition of 1- Varicella (chickenpox) vaccine. This series represents the core vaccines administered to children by the age of two and is the standard by which the federal government measures performance. In 2006, this 6-dose series coverage level for the U.S. was 77.0% ($\pm 1.0\%$) while the rate for Nevada was 59.5% ($\pm 7.4\%$). *Nevada's coverage level for this series ranks it as the lowest state for this series coverage level.* Nevada's overall coverage rate for the 6-dose series has decreased 3.7% ($\pm 9.6\%$) from the 2005 estimate of 63.2% ($\pm 6.1\%$). Several factors influence this decline including the lack of portability of immunization records, the transient nature of the population and the provision of the immunization protocols by providers.

Vaccine for Children (VFC) and VFC Eligibility

Several states perform at or above the goals established by the Healthy People 2010 initiative. There are a variety of implementation strategies utilized to ensure success that differ from Nevada's current policies of vaccine coverage. To clarify the supply policies see the definitions embedded below the table. Note that the Vaccines for Children (VFC) program is the federal mandate that assures a payer for all children without insurance coverage. It was launched as part of national health care reform efforts during the Clinton Administration to ensure that children aged 18 and younger who are uninsured, Alaska Native or Native American, or children who are eligible for Medicaid, or who are underinsured and receive their vaccines in a federally qualified health center (FQHC) have access to free vaccines.

VFC Enrolled Providers: Immunization providers enrolled with the State Immunization Program who receive and administer vaccines financed by the federal VFC program.

The table below summarizes the types of Immunization Programs in place in the states with immunization rates that meet or exceed the Healthy People 2010 goal.

Table 1: States Meeting Healthy People 2010 Goal by Childhood Vaccines Supply Policy, 2006

Universal	Universal Select	VFC and Underinsured	VFC and Underinsured Select	VFC Only
New Hampshire	Connecticut	Florida	Michigan	Delaware
	Hawaii	Georgia		Wisconsin
	Massachusetts	Maryland		
	North Carolina	New York		

Source: <http://www.dcd.gov/vaccines/programs/vfc/projects/data/vacc-supply-public-2006.htm>

Definitions:

1. **Universal:** The immunization program supplies all routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate all children.
2. **Universal Select:** The immunization program supplies all, but a few, routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate all children.
3. **VFC & Underinsured:** The immunization program supplies all routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate only VFC and underinsured children.
4. **VFC & Underinsured Select:** The immunization program supplies all but a few, routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate only VFC and underinsured children.

5. **VFC Only:** The immunization program supplies all routinely recommended pediatric vaccines to private VFC enrolled providers to vaccinate VFC eligible children only.

Factors Impacting Immunization Outcomes

Results from a recent study¹ found that states that purchase and provide vaccine for every child, even those with private insurance (Universal Purchasing states), do not necessarily have higher rates of vaccination than others. However, one half of the 14 states that have some form of Universal Purchasing program ranked in the top quartile for immunization coverage over a period of five years, while less than 30 percent of states with the most limited free vaccine program ranked in the same group. The vaccine purchasing mechanism alone cannot explain differences in individual state's performance; however, it could be one of multiple components that support the achievement of higher immunization rates in some states.

Some of the other findings for the study that are relevant to Nevada include:

- Immunization registries were at different points of development across exemplary (consistently high rates) states; consequently, their impact on immunization rates in these states was unknown at the time of the study.
- The positive performance of Massachusetts, New Hampshire, Rhode Island, and Vermont may be explained by variables other than the purchasing plan, such as limited small area variation among providers in four contiguous New England states.
- Other factors impacting immunization rates may include the State Immunization Program infrastructure, Managed Care penetration, pediatrician supply, practice variation, civic culture, immigration, as well as others.
- The study also found that provider participation and education was related to an increase in rates; emphasis on parental participation and education was not found to be related to an increase in rates.

Massachusetts is a state which has one of the highest immunization rates over the past five years, and is a Universal- Select state. They have successfully negotiated a method by which its insurance companies pay for vaccines. The state has an agreement with the insurance companies that includes taxing them for each underwritten policy and places that tax into the State General Fund. The State then supplies money out of the State General Fund budget to supply the Universal vaccines. The State can purchase the vaccines at a significantly reduced cost than the insurance companies, thereby leveraging more vaccine resources.

In addition to the benefits associated with this financing plan, the State reports less confusion among their providers as most children in these states receive their immunizations in their medical home, or with their primary care provider. Providers appreciate the simplicity of this program because they do not have to screen for eligibility; all children get vaccinated.

Other factors cited by the states with the highest immunization rates were:

¹ Source: "Financing Childhood Immunizations Across the Nation: A Follow-Up Report to the Immunize Kansas Kids Steering Committee," January 2007, Kansas Health Institute.

- Ease of administration for providers
- Immunization outreach at the local level
- Active, dedicated providers
- Strong partnerships between state agencies, clinics and provider organizations
- Availability of immunization information on Web sites
- Network of public immunization clinics
- Enforcement of immunization policies and guidelines
- Parental education
- Provider assessments
- Immunization registry
- Immunization customer service
- Health insurance coverage for vaccines including first dollar coverage

Nevada's Problem

The current State Immunization Program utilizes three sources of funding to purchase and distribute vaccine to public and private service providers. Nevada's vaccine purchasing model is known as the Universal Select Policy. The three sources of funding are State General Funds, federal VFC and federal Public Health Service Act Section 317. Each is discussed below.

Nevada Check Up – The Immunization Program purchases and distributes vaccines to immunize Nevada Check Up enrolled children. The funding for these vaccine purchases comes from a combination of state general fund and federal matching funds through the federal State Children's Health Insurance Program (S-CHIP) administered by Medicaid. The state fiscal year 2008 vaccine budget for this program is \$2,691,315 which includes \$866,474 of State General Fund and \$1,824,841 in Medicaid. The State General Fund is earmarked for the state match portion of the purchase and distribution of vaccine for Nevada Check Up enrolled children. For federal fiscal year 2008, State General Fund and federal matching funds have purchased 47,585 doses of vaccine with a total value of \$1,431,102.85; \$474,444.06 State General Funds; \$956,759.75 Federal Matching Funds. This accounts for approximately 5% of the total vaccine doses distributed by the immunization program.

Vaccines for Children (VFC) - Federal VFC funding is an entitlement used to vaccinate eligible children including those on Medicaid or eligible for Medicaid, those who are uninsured or underinsured and American Indian and Alaska Natives. In federal fiscal year 2008, the State Immunization Program received VFC vaccine allocations totaling 792,469 doses with a total value of \$26,526,616. This accounts for approximately 84% of the total vaccine doses distributed by the Immunization program.

Public Health Service Act Section 317 Vaccine Funding - Federal Section 317 funding has historically been used to cover those children who do not meet VFC eligibility criteria or who were not enrolled in Nevada Check Up; this is considered the "Universal" part of Universal Select. In federal fiscal year 2008, Nevada received \$2,146,693 in Section 317 vaccine funding. This represents a reduction of 22% (\$500,000) below the prior federal fiscal year amount. With these funds the State Immunization Program has purchased or allocated funds for the purchase of

100,617 doses of vaccine. This accounts for approximately 11% of the total vaccine doses distributed by the Immunization program.

As more vaccines are added to the childhood vaccination schedule, there are increased costs; however there has been a decrease in available federal resources to vaccinate Nevada’s children. Federal VFC entitlement funding from the CDC has attempted to provide resources in anticipation of this trend, while federal Section 317 discretionary funding from the CDC has fallen. In light of these issues, it is no longer possible to maintain the program as its current level without either increased funding from the state or implementing a change in program policy. The latter is the recommendation of the Health Division.

Based on the funding reduction and historical vaccine usage patterns, federal Section 317 funds will be depleted in July of 2008, although the federal fiscal year does not end until October 2008. In May 2008 staff requested additional VFC allocations, as well as an increase in the Section 317 funding based on any available unspent Section 317 dollars from other states. This request has been denied by the CDC Project Officer.

It is important for the VFC program to continue to fund the Medicaid and Nevada Check Up populations, as the purchasing benefits are significantly enhanced when the State Immunization Program uses the federal contracted rate to purchase vaccines. This rate, in general, is significantly lower, as can be seen in Table 1 below, than rates available from other sources. If this initiative is not continued it may have a negative impact on the Division of Health Care Financing and Policy’s/Medicaid’s budget.

Table 2: Sample Vaccine Costs, Federal Pricing versus Private Sector Costs, May 2008

Vaccine*	Cost		Difference	
	CDC	Private	Dollar Savings	Percent Savings
DTaP	\$12.65	\$21.40	\$8.75	40.89%
MMR	\$18.26	\$46.54	\$28.28	60.76%
Hep B	\$9.50	\$21.37	\$11.87	55.55%

Source: CDC Vaccine Price List, May 16, 2008.

*Note: Per 10 pack - 1 dose vials.

Policy Alternatives

Presented below are four policy alternatives to address this issue. Each is addressed individually; the analysis includes an explanation of the policy, how the program is intended to be operationalized, what the costs to the state would be, the pros and cons, and the likely impact on Nevada’s immunization rates.

Option 1: Universal

- Explanation of Policy – The Immunization Program supplies all routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate all children, regardless of VFC eligibility or insurance status.
- How the Program Would Work – Through a combination of VFC, Section 317 and state funds, the Immunization Program would distribute routinely recommended pediatric vaccines to program enrolled public and private providers. All children aged 0 through 18 would be eligible to be vaccinated with the state supplied vaccine.
- Cost to the State
 - i) Increased participation in the overall cost of vaccines. At current rates of distribution, the average cost per dose distributed for a VFC child (who receives all vaccines recommended) is \$33.47/dose. A projected 257,187 insured children will receive state-supplied vaccine. Each insured child will receive on average 2.25 doses of vaccine. The total vaccine cost will be $33.47 \times 257,187 \times 2.25 = \$19,368,110$. Assuming level Section 317 vaccine funding, the first year cost to the state for vaccines for non-VFC eligible children and children not enrolled in Nevada Check Up will be approximately \$17,221,417. However, if Nevada were to adopt a model similar to that in Massachusetts the funding would come through the state General Fund however would originate from the Health Insurance industry.
 - ii) Personnel costs for administering such a large, state funded program. The personnel costs would include management, accounting, and field staff. The exact incremental cost for administering such a program has not been calculated but would likely double the current budget of the program which is approximately \$400,000.
- Pros and Cons
 - i) Pros
 - (1) All routinely recommended pediatric vaccines would be available for all children regardless of insurance status.
 - (2) This model will be less confusing for providers as all children would be eligible to receive the state supplied vaccines.
 - (3) A possible increase in provider enrollment with the immunization program.
 - (4) Children could receive all vaccinations in their medical homes.
 - (5) Eliminates provider costs for carrying two vaccines supplies.
 - ii) Cons
 - (1) Cost impact to the state for vaccines and for administering the program.
 - (2) May see a decline in public sector vaccine administration.
- Likely Impact on Nevada’s Immunization Rates - Combined with other changes to the State Immunization Program discussed above, this change would likely raise the immunization rates although studies have shown that states with high levels of immunization have a variety of purchasing methods in place.

Option 2: Universal Select (current policy)

- Explanation of Policy - The Immunization Program supplies all, but a few, routinely recommended pediatric vaccines to all public and private VFC enrolled providers to vaccinate all children, regardless of VFC eligibility or insurance status.
- How the Program Works - Through a combination of VFC, Section 317 and state funds, the Immunization Program would continue to distribute routinely recommended pediatric vaccines to program enrolled public and private providers. The Immunization Program provides policy and guidance as to which vaccines can be administered universally (DTaP, EIPV, Hep B, HIB, MMR, Tdap, Varicella) and which vaccines have been “selected out” to be administered to only VFC eligible and Nevada Check Up enrolled children (DtaP, HIB, Hep A, HPV, MCV4, PNU7, ROTA).
- Cost to the State
 - i) The Immunization Program receives State General Fund dollars to match with federal dollars to purchase vaccines for Nevada Check Up enrolled children. For SFY 2008 the total cost in State General Funds will be approximately \$474,444.06 which represents the state match portion of the vaccines purchases for Nevada Check Up enrolled children. For SFY 2009 the Immunization Program has State General Fund budget authority up to \$934,000 for the state match portion of the vaccine purchases for Nevada Check Up enrolled children. The federal match provides budget authority of \$1,872,323.
 - ii) For the remainder of federal fiscal year 2008, and in order to maintain its historic level of distribution during the “back to school period” (July – September), the Immunization Program would need to receive additional State General Fund dollars of approximately \$1.5 million.
 - iii) For federal fiscal year 2009, the additional State General Fund dollars necessary could exceed \$3 million. This funding would need to be in addition to the state match dollars received for the Nevada Check Up enrolled children.
- Pros and Cons -
 - i) Pros - Some of the recommended childhood vaccines are supplied by the Immunization Program to a larger number of children because they are made available to public and private providers with no restrictions on Nevada Check Up enrollment or VFC eligibility.
 - ii) Cons
 - (1) There is not enough money in the program to sustain this policy without additional funding.
 - (2) The model is confusing for providers as some vaccines are available universally while others are available only to Nevada Check Up enrolled children and children who meet VFC eligibility requirements.
 - (3) The Immunization Program relies on Section 317 funding to purchase vaccines to immunize the non-VFC eligible children and children who are not enrolled in Nevada Check Up. Since the amount of Section 317 funding fluctuates from year

to year and is trending downward, these funds cannot be relied upon as a continuing source of funding.

- Likely Impact on Nevada's Immunization Rates - If Section 317 vaccine funding continues to decrease, the immediate and long-term impacts of continuing with this model will be a further decrease in Nevada's immunization rates. Without state General Funds to assist in the coverage of the reduction in Section 317 funds, more vaccines will have to be eliminated from those currently provided creating more confusion for Health Care providers, Health Care insurers, and patients.

Option 3: VFC, Underinsured and Nevada Check Up (VFC Underinsured)

- Explanation of Policy - The Immunization Program would provide all routinely recommended pediatric vaccines to all public and private VFC enrolled providers to *only vaccinate VFC, underinsured, and Nevada Check Up enrolled children.*
- How the Program would Work - Through a combination of VFC, Section 317, and state funds the Immunization Program would distribute routinely recommended pediatric vaccines to public and private VFC enrolled providers. The vaccine would only be available to VFC, underinsured, and Nevada Check Up enrolled children. Individuals whose insurance covers the cost of vaccine would not be eligible to receive the state supplied vaccine.
- Cost to the State
 - i) The Immunization Program receives State General Fund dollars to match with federal Medicaid dollars to purchase vaccines for Nevada Check Up enrolled children. For SFY 2008 the total cost in state general funds will be approximately \$474,444.06 which represents the state match portion of the vaccines purchases for Nevada Check Up enrolled children. For SFY 2009 the Immunization Program has State General Fund budget authority up to \$934,000 for the state match portion of the vaccine purchases for Nevada Check Up enrolled children. The federal match provides budget authority of \$1,872,323.
 - ii) There would be no additional cost to the State if the Section 317 vaccine funding received is sufficient to purchase vaccine for the underinsured children requiring immunization.
- Pros and Cons
 - i) Pros
 - (1) The program would be less confusing for providers as the eligibility criteria is clearly defined.
 - (2) The underinsured children could receive the routinely recommended pediatric vaccines in their medical homes even if they are not FQHCs or rural health clinics (RHC).

- ii) Cons
 - (1) Shortfall in Section 317 vaccine funding may increase as health care insurers may decide to no longer provide coverage of routinely recommended pediatric vaccines thereby increasing the number of underinsured individuals.
 - (2) Providers of vaccine services will likely experience a financial impact. Providers may, if they choose, privately purchase a complete stock of vaccine for their insured clients, vaccinate these clients, and then submit reimbursement claims to the commercial insurers, including health plans. Providers will have an increased reliance on the commercial insurers for adequate reimbursement to cover the cost of privately purchased vaccine. Current providers of vaccination services may elect to close their practice to providing vaccinations and these children would have to be referred to the local health districts or community health nursing clinics in rural areas for their immunizations.
 - (3) State-supplied vaccines would not be available to vaccinate insured children, including the underinsured.
- Likely Impact on Nevada's Immunization Rates
 - i) Through an assessment of private enrolled providers, the Immunization Program is discovering that private providers are either very reluctant to, or refuse to, privately purchase vaccines, choosing instead to refer patients to public health agencies for their immunizations. The immediate impact of this model would be to decrease immunization rates in insured individuals who would otherwise have received at least some vaccine free under the current Universal-Select model.
 - ii) The long-term impact will be determined by the availability of Section 317 vaccine funding, provider and coalition activities, and proposed legislation designed to increase health care insurer participation in the cost of vaccines. With the right combination of vaccine funding, provider involvement, coalition activities, and first-dollar coverage legislation, the Immunization Program feels that the long-term impact could be to increase overall immunization rates.

Option 4: VFC and Nevada Check Up Only

- Explanation of Policy - The Immunization Program provides all routinely recommended pediatric vaccines to all public and private VFC enrolled providers to only vaccinate VFC and Nevada Check Up enrolled children.
- How the Program would Work - Through a combination of VFC and state funds, the Immunization Program would purchase and distribute routinely recommended pediatric vaccines to public and private VFC enrolled providers. The vaccine would only be available for VFC and Nevada Check Up enrolled children. Fully insured children would not be eligible to receive the state-supplied vaccine. Underinsured children would be eligible to receive state-supplied vaccine from a FQHC or a RHC or a provider to whom authority has been delegated, subject to CDC approval. Any Section 317 vaccine funding received could be used to purchase pediatric or adult vaccines at the discretion of the Immunization Program.

- Cost to the State
 - i) The Immunization Program receives State General Fund dollars to match with federal Medicaid dollars to purchase vaccines for Nevada Check Up enrolled children. For SFY 2008 the total cost in State General Funds will be approximately \$474,444 which represents the state match portion of the vaccines purchases for Nevada Check Up enrolled children. For SFY 2009 the Immunization Program has State General Fund budget authority up to \$934,000 for the state match portion of vaccine purchases for Nevada Check Up enrolled children. The federal match provides budget authority of \$1,872,323.
 - ii) *There would be no additional cost to the State.*

- Pros and Cons
 - i) Pros
 - (1) This model would be the least confusing for providers as the eligibility criteria is clearly defined as VFC and Nevada Check Up enrolled children only.
 - (2) The State will likely see an increase in the use of combination vaccines reducing the number of shots required which will remove one barrier to increasing immunization rates.
 - (3) Currently, the FQHCs in Nevada have delegated authority to the public health districts to vaccinate underinsured children. With CDC approval, the FQHCs may be able to delegate authority to private providers as well. This would increase the amount of VFC funded vaccine allocated to the state thereby allowing underinsured children to remain in their medical homes for all routinely recommended pediatric vaccines.
 - (4) This will give the Immunization Program the opportunity to use Section 317 vaccine funding to address outbreaks of vaccine preventable diseases, purchase adult vaccines, and provide seasonal flu vaccine to more of the state population.
 - ii) Cons
 - (1) Providers of vaccine services will likely experience a financial impact. Providers may, if they choose, privately purchase a complete stock of vaccine for their insured clients, vaccinate these clients, and then submit reimbursement claims to the commercial insurers, including health plans. Providers will have an increased reliance on the commercial insurers for adequate reimbursement to cover the cost of privately purchased vaccine. Current providers of vaccination services may elect to close their practice to providing vaccinations and these children would have to be referred to the local health districts or community health nursing clinics in rural areas for their immunizations.
 - (2) Health insurers, including self funded plans, may take issue with this change because it will shift the cost from the state to the insurers.
 - (3) The underinsured children could only receive state provided vaccines at a FQHC or RHC.
 - (4) There may be a reduction in the number of VFC enrolled providers as many participating providers do not treat VFC or Nevada Check Up enrolled children.
 - (5) State-supplied vaccines would not be available to vaccinate insured children.

- Likely Impact on Nevada’s Immunization Rates
 - i) Through an assessment of private enrolled providers, the Immunization Program is discovering that private providers are reluctant to or privately purchase vaccines, choosing instead to refer patients to Public Health agencies for their vaccines. The immediate impact of this model would be to decrease immunization rates in insured individuals who would otherwise have received at least some vaccine free under the current Universal-Select model.
 - ii) The long-term impact will be determined by provider and coalition activities and proposed legislation designed to increase health care insurer participation in covering the cost of vaccines. With the right combination of vaccine funding, provider involvement, coalition activities, and first-dollar coverage legislation, the Immunization Program believes the long-term impact could be to increase overall immunization rates.

Possible Impact on Commercial Health Insurance Companies and Health Plans of Implementing Options 2 or 3

Commercial health insurance companies and health plans, including Employee Retirement Income Security Act (ERISA) plans, typically do provide vaccination as a benefit but historically have not had to provide reimbursement for many of the vaccines. With the cessation of this federal subsidization, they will experience some financial impact. An analysis shows that the major health plans in Nevada would increase their vaccine reimbursements by approximately 68% - 73% to cover all the childhood and adolescent vaccines for their enrollees. Similar information is not readily available for commercial health insurers.

Table 3: Percent Increase in Reimbursement Costs for Selected Health Plans

Health Plan	Reimbursement Costs Universal-select Current Policy	Reimbursement Costs VFC-only policy	Percent Increase
NevadaCare	\$ 246,675	\$ 420,673	71%
PacifiCare	\$ 558,759	\$ 964,290	73%
Hometown Health	\$ 494,157	\$ 829,950	68%
Aetna	\$ 3,253,220	\$ 5,466,300	68%

Analysis calculates the private sector cost to vaccinate children enrolled in the health plan according to the harmonized vaccination schedule of the Advisory Committee on Immunization Practices (ACIP).

Though the reimbursement costs would increase, the overall corporate impact is negligible. Financial statements retrieved from the Securities and Exchange Commission (SEC) on publicly traded corporations show the following net income in Table 4.

Table 4: Corporate Earnings of Various Health Plans, CY 2007

Corporation	Operating Costs	Net Income
UnitedHealth Group*	\$67,582,000,000	\$4,654,000,000
Sierra Health Services [▲]	\$1,524,733,000	\$94,052,000
Aetna [▲]	\$17,294,000,000	\$1,749,000,000

*Subsidiary health plans within UnitedHealth Group during 2007 included PacifiCare.

[▲]Health care operating costs only.

Recommendations

The Department of Health and Human Services, Health Division, Bureau of Community Health, Immunization Program recommends that in the short-term the State Immunization Program move to implement Option 4 - VFC and Nevada Check Up Only - as quickly as possible, due to the immediate state fiscal situation.

The long-term solution to the State's low immunization rates is to develop a Universal Vaccine Program with appropriate state funding. In order to begin this process the Health Division recommends a work group be created to follow-up on how this might be implemented in the future. The work group would consist of immunization stakeholders including representatives of the commercial health insurers and health plans, public and private immunization providers, and other key stakeholders. Among other things the group would conduct a review of how this has been accomplished in other states including Massachusetts, New Mexico and Washington.

Next Steps

The State Health Division, Immunization Program proposes to immediately convene the workgroup and ask them to identify measures to ameliorate the various issues related to this transition such as retention of providers, dual stock vaccine inventory, billing and coding for reimbursement, and health insurer contracting. Immunization Program staff will report on the progress of this transition workgroup by December 31, 2008 to the Director of Health and Human Services. Additionally, staff will monitor the impact of program policy changes on the immunization rates of Nevada children and provide information to the Director.

Once the immediate program transition issues have been addressed the work group will conduct a feasibility study and based on that study, if possible, develop a plan to transition the State Immunization Program to Universal Purchase status, to be considered for the 2011 biennial legislative session.