

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version CSHB 310(FIN)  
 Fiscal Note Number 2  
 (H) Publish Date 4/4/12

Identifier (file name) HB310CS(FIN)-DHSS-EPI-04-02-12 Dept. Affected Health and Social Services  
 Title State Immunization Program Appropriation Public Health  
 Allocation Epidemiology  
 Sponsor Representative Herron  
 Requester House Finance Committee OMB Component Number 296

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities	4,496.0	700.0	4,496.0	4,496.0				
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>4,496.0</b>	<b>700.0</b>	<b>4,496.0</b>	<b>4,496.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts		70.0					
1003	GF Match							
1004	GF	4,496.0	630.0	4,496.0	4,496.0			
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>4,496.0</b>	<b>700.0</b>	<b>4,496.0</b>	<b>4,496.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

**Estimated SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required,  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY13) costs** 0.0 (separate capital appropriation required,  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

The CS (FIN) version I amends Section 2, subsections (f), (g) & (h). Sec. (f)(1) adds meningococcal and rotavirus vaccines for children. Sec. (f)(2) adds zoster vaccine for adults. Sec. (g)(2) allows vaccines to be subtracted if the disease is eradicated or high-grade scientific evidence indicates it will result in optimal efficacy and efficiency. Sec. (h) adds a new section stating procurement is subject to available funding. The changes in this CS will reduce the risk of additional disease outbreaks for more preventable diseases. The changes increase the fiscal note by \$1,596.0 but otherwise have no significant operational impact.

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 Division Public Health  
 Approved by Nancy Rolfzen, Assistant Commissioner  
DHSS Finance & Management Services

Phone 269-6680  
 Date/Time 4/2/2012 10:00:00 AM  
 Date 4/2/2012

**Analysis**

This CS (FIN) requires the Department of Health and Social Services to establish an immunization program that would purchase and distribute recommended vaccines to children and adults who do not have coverage elsewhere. The intent is to restore funding to the 2009 level before federal cuts were implemented. Limited vaccine funding for this population is available through Section 317 of the U.S. Public Health Service Act ("317") and administered by the Centers for Disease Control and Prevention. Funding has been cut 84% from \$4.3 million in 2010 to \$700 thousand in 2013. As a result, by January 2012, the Immunization Program has stopped supplying all adult vaccines and select childhood vaccines: influenza, pneumococcal, rotavirus, human papillomavirus, and meningococcal.

This CS (FIN) has an immediate effective date. It is assumed that the program is implemented on July 1, 2012. Currently the department has regulations in place to implement this program immediately. These are all vaccines the department has provided in the past and the infrastructure is still in place. The fiscal note does not involve any administrative costs because they are already in the base budget. This bill has a sunset date of June 30, 2015.

This CS (FIN) would provide vaccine to enrolled providers for an estimated 47,000 underinsured children under the age of 19 years and about 110,000 doses of vaccines to underinsured and uninsured adults that reside in Alaska. Underinsured children under the age of 19 years would receive vaccines required for school attendance, plus meningococcal, influenza, pneumococcal, and rotavirus vaccines. Underinsured or uninsured adults age 19 years and older would receive influenza, pneumococcal, tetanus/diphtheria/pertussis (Tdap), and zoster (shingles) vaccines. The Commissioner may add vaccines based on federal Advisory Committee on Immunization Practices' recommendations and available funding. Vaccines may be dropped if the disease has been declared eradicated by the Centers for Disease Control and Prevention or the commissioner finds that available high-grade scientific evidence indicates that subtracting the vaccine results in optimal efficacy and efficiency. The procurement of vaccines is subject to available funding.

Projected costs of selected vaccines for the total eligible population are based on the CDC's forecasting model and state and national immunization data. An 80% immunization rate is assumed for most vaccines (the recommended level to maintain immunity at the community level). The estimated annual cost of the vaccines (2013 prices) are below.

Vaccines required for school attendance: \$1,400.0;  
Pneumococcal vaccine for infants: \$1,250.0;  
Influenza vaccine annually for ages 6 months to 18 years: \$300.0;  
Rotavirus vaccine for infants: \$ 409.0;  
Meningococcal vaccine for adolescents: \$207.0;  
Pneumococcal vaccine for adults ages 50 years and older: \$250.0;  
Influenza vaccine annually for adults ages 19 years and older: \$400.0;  
Tdap vaccine for adults ages 19 years and older: \$700.0;  
Zoster vaccine for adults ages 50 years and older (4% immunization rate): \$980.0

The fiscal note takes into account funds the department assumes it will have to apply toward this vaccine program. The total cost to operate the program is estimated at \$5,896.0. The Division of Public Health's base budget for immunizations includes \$700.0 of the Federal "317" funds. The FY2013 Governor's Budget request also includes an increment for \$700.0 (\$630.0 GF, \$70.0 Fed). The remaining \$4,496.0 GF is requested in this fiscal note.