

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number 1
 Bill Version CSHCR 5(HSS)
 (H) Publish Date 3/16/11

Identifier (file name): HCR005-DHSS-PHN-03-09-11 Dept. Affected Health and Social Services
 Title Vitamin D Supplements Appropriation Public Health
 Allocation Nursing
 Sponsor Rep. Seaton
 Requester House HSS OMB Component Number 288

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time							
Temporary							

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

Not Applicable. Initial version.

Prepared by Ward B. Hurlburt, M.D., MPH - Chief Medical Officer / Director
 Division Public Health
 Approved by Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Phone 269-6680
 Date/Time 3/4/11 12:00 AM
 Date 3/9/2011

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Analysis

This House Concurrent Resolution relates to the prevention of disease and the benefits of Vitamin (Vit.)D.

The division is submitting a zero fiscal note because no new authorization is necessarily invoked by passage of this resolution. Should the Legislature decide to require the department to undertake activities through additional legislation, an additional appropriation will be necessary.

This analysis estimates the cost of implementing the four activities in the resolution if the division were to implement them, although the division has no plans to do so at this time. The assumptions used to calculate the fiscal note are detailed on page 3.

The resolution includes language that encourages or urges the Department of Health and Social Services to implement four activities in regards to Vitamin D supplements. The activities are

- (1) to increase attention to Vit. D deficiency, Vit. D testing, and to promote awareness of the long-term health benefits of and increased chances of cancer survival with sufficient levels of Vit. D;
- (2) investigate substituting Vit. D supplementation for influenza vaccination as a less costly method for preventing influenza;
- (3) provide Vit. D supplements to the elderly to prevent bone loss, falls, fractures, and other age-related health problems; and
- (4) provide Vit. D supplements to pregnant women and infants to prevent pregnancy complications, preterm births, type 1 diabetes, and rickets.

For the first activity, the department would contract for professional services to create an awareness campaign on the benefits of Vit. D. at an estimated cost of \$50.0. This would be an ongoing cost.

For the second activity, the department would require \$100.0 for a PhD-level epidemiologist (1 FTE, existing PCN, Range 20/A) plus \$35.0 for overhead (rent, utilities, etc.). The epidemiologist would conduct a study investigating substitution of Vit. D supplementation for influenza vaccination as a less costly method of preventing influenza. This study would take at least three years. This is a conservative estimate and could be double or triple the amount depending on the final study design.

For the third and fourth activities, the department would provide Vit. D supplements through Public Health Nursing Clinics at a cost of \$211.2 annually. Elderly, pregnant women, and infants who go to the clinics would receive a limited office visit to determine if Vitamin D supplements were indicated. Of the approximately 17,200 public health clinic clients seen in 2011, it is assumed 3,225 (18.75%) could have received one or more 90-day supplies of Vit. D supplements. The client would receive a limited office visit each time the client came to the clinic for more supplements to determine if Vit. D was still medically necessary and evaluate their health condition. Public Health Nursing would report their results to the epidemiologist conducting the Vit. D study.

The total cost for Years 1 to 3 would be \$396.2. Years 4 and 5 would be \$261.2 since the second activity for a study would be completed by then.

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Analysis Continued

Assumptions:

Clients

17,200 total clients served by Public Health Nursing, 2011
75% percent PHN clients who are elderly/pregnant women/infants
12,900 clients eligible for Vit. D supplements
25% percent clients eligible who receive Vit. D
3,225 clients eligible who receive Vit. D
806 clients (25%) visit 1/year
806 clients (25%) visit 2/year
806 clients (25%) visit 3/year
807 clients (25%) visit 4/year

Medical Supply Unit Cost

\$ 1.20 Cost is \$0.10 per Vit. D pill (over-the-counter, wholesale)
At 1 dose per week, with 12 doses dispensed per clinic visit (90-day supply)
\$ 25.00 Cost of 15 min. limited office visit for each clinic visit (max. 4 /year)
\$ 26.20 total cost per clinic visit for Vit. D

Total Annual Cost

\$ 211,238 medical supplies for dispensing Vit. D
\$ 100,000 personal services for 1 FTE epidemiologist (Range 20/A) to investigate Vit. D as substitute
for influenza vaccine (Years 1-3)
\$ 85,000 contractual costs for awareness campaign of benefits of Vit. D (\$50.0); overhead for 1 FTE (\$35.0)
\$ 396,238 total annual cost Year 1

This analysis includes only the direct medical supply and administrative costs of implementing the resolution. The cost savings if patients opted for Vit. D supplements in lieu of influenza vaccine are not included in this analysis. Nor does it include the additional cost of treating patients who did not get vaccinated for influenza and later became ill.

The annual cost per person for Vit. D supplements (assuming 52 doses, 4 visits) is \$104.80. In comparison, the medical supply unit cost of influenza vaccine is approximately \$33-\$66 annual cost per person (assuming \$8/dose plus \$25 limited office visit for 1-2 doses/year).

The resolution notes that part of the budget of the Department of Health and Social Services is used to treat illnesses that could be prevented with adequate blood serum levels of Vit. D. Those potential costs savings are not included in this analysis as the amount of avoided costs are indeterminate and would likely not be realized in the time frame covered by the fiscal note.