



## **LD 1408: An Act To Establish The Universal Childhood Immunization Program**

### **Introduction**

- As we all know, vaccination is one of the most effective things we can do to improve public health and reduce downstream health care costs.
- Vaccination rates in Maine have declined severely in recent years: whereas Maine once led the nation in vaccination childhood rates, we now rank in the bottom half of states. In 2007, fewer than 80% of Maine kids under age 3 got the recommended immunizations, down from nearly 90% in 1995.
- Three main factors behind this decline are: (1) the number of vaccines has increased; (2) the cost of vaccines has gone up dramatically for providers, patients, and health plans, alike (leading many health plans to reduce their coverage, making it yet tougher for patients to get the vaccines they need); and (3) due to a flawed funding formula, the federal government has cut Maine's vaccination funding.

*LD 1408 will bring about universal vaccination, in which all children -- whether uninsured, enrolled in MaineCare, or in private coverage -- have the vaccinations they need.*

### **In order to understand how, it is necessary to understand the current system:**

- The federal Vaccines for Children (VFC) Program provides vaccines at no cost to children who might not otherwise be vaccinated because of inability to pay. The federal Centers for Disease Control and Prevention (CDC) buys vaccines at a discount (an aggregate savings of 26% across the entire volume of childhood vaccines) and distributes them to state health departments and certain local and territorial public health agencies, which in turn distribute them at no charge to private physicians' offices and public health clinics registered as VFC providers.
- For privately insured children, providers are on their own. They must deal with the administrative complexity of placing vaccine orders and make significant cash outlays for private purchase of vaccine – at retail prices – in the hopes that they will be reimbursed by health plans. Providers that serve disproportionately low income and underinsured populations are at risk that these cash outlays won't be recouped given patients inability to pay.

LD 1408 would eliminate this two tier system, make things administratively simpler for providers, and ensure that patients, providers, and health plans all get the VFC discount. Further, the program is paid for without any new state general fund expenditures.

- The bill would establish the Maine Vaccine Board – with representation from providers, health plans, vaccine manufacturers, and Maine DHHS – to oversee the new “Universal Childhood Immunization Program.”
- Each year the Board would review recommendations by the federal Advisory Committee on Immunization Practices (ACIP) and make decisions on how and whether to update the list of vaccines to be made available through the program.
- DHHS would then place an order with the federal CDC to purchase vaccines for the entire state at the VFC discount and arrange for distribution to providers in Maine.
- The Board would levy an assessment on health plans to pay the cost of vaccinating privately insured children. Health plans are willing to go along with the assessment because: (1) they are getting the VFC discount, and (2) providers will no longer need to seek vaccine reimbursement from health plans (since providers will be getting their entire vaccine stock through the new program; in other words, through the assessment, health plans are paying at the front end – and getting a discount – rather than reimbursing providers at the back end at a higher price).

*Clearly LD 1408 is win-win for patients, providers, and health plans in Maine. Please help ensure its passage – and overcome any opposition there might be among those who enjoy the status quo – by explaining its benefits to your legislators.*

**P.S. If you are communicating back and forth with your legislator, and s/he happens to ask “didn’t we just add \$2 million in the last budget to take care of this problem?” here is the answer:**

The \$2 million in the last budget helps children who cannot otherwise afford vaccine get the vaccines that are mandated for school attendance. However:

- (1) it does not cover the full range of vaccines recommended by the ACIP;
- (2) it does not solve the problem of our current two-tiered system, in which providers face administrative burden and we all face higher costs.