

AMENDED IN ASSEMBLY JULY 5, 2001

AMENDED IN SENATE APRIL 25, 2001

**SENATE BILL**

**No. 1038**

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**Introduced by Senator Polanco**

*(Coauthors: Assembly Members Aroner, Chan, Chavez, Chu, Koretz, Richman, Salinas, and Thomson)*

February 23, 2001

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An act to add Section 12693.625 to the Insurance Code, relating to immunizations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1038, as amended, Polanco. Immunizations: Healthy Families Program.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health, dental, and vision services to eligible children pursuant to a federal program entitled the State Children's Health Insurance Program.

This bill would enact the California Healthy Families Vaccine Purchase Act. The bill would authorize the board to allocate sufficient funds out of moneys appropriated for purposes of the Healthy Families Program to the State Department of Health Services for the purchase of covered vaccines, as defined, *for the safe and secure storage of covered vaccines at warehouse facilities licensed by the California State Board of Pharmacy*, and for their free-of-charge distribution to qualifying practitioners.

The bill would require practitioners to provide vaccines to eligible children without charge, ~~except that the provider would receive an~~

~~administrative fee for the provision of the vaccine from a health plan contracting to provide Healthy Families Program services.~~

The bill would ~~authorize~~ *require* the board to share information regarding immunization data obtained from qualifying practitioners with the contracting health plan for purposes of quality monitoring and improvement activities.

This bill would provide that its provisions would not be implemented in any fiscal year unless funds have been specifically designated in the Budget Act for that fiscal year for implementation of the bill. The bill would require that implementation be consistent with federal regulations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. This act shall be known, and may be cited, as the
- 2 California Healthy Families Vaccine Purchase Act.
- 3 SEC. 2. The Legislature finds and declares all of the
- 4 following:
- 5 (a) Childhood communicable diseases constitute a serious
- 6 threat to the public health of the people of this state.
- 7 (b) Approximately one quarter of California’s toddlers remain
- 8 unimmunized, thus jeopardizing their individual health, as well as
- 9 the health of those with whom they come in contact.
- 10 (c) The effectiveness of childhood vaccines to save lives and
- 11 prevent debilitating diseases has been well documented.
- 12 (d) Vaccines are among the most cost-effective components of
- 13 preventive medical care. For every dollar spent on childhood
- 14 immunization, an average of ten dollars (\$10) is saved through the
- 15 prevention of future medical costs.
- 16 (e) Due to increasing numbers of approved life-saving
- 17 vaccines, as well as increasing prices, childhood vaccine purchase
- 18 costs have increased dramatically in recent years, nearly
- 19 twenty-fold since 1982.
- 20 (f) All federal Advisory Committee on Immunization
- 21 ~~Practices recommended~~ *Practices recommended* vaccines must
- 22 be covered benefits under the Healthy Families Program, pursuant
- 23 to requirements in the federal State Children’s Health Insurance



1 Program, created by the Balanced Budget Amendment Act of  
2 1997.

3 (g) California has the option to immediately and significantly  
4 lower vaccine costs under the Healthy Families Program by  
5 utilizing a federal option to purchase vaccines for the program at  
6 a federally discounted price. The federally discounted price for all  
7 recommended vaccines for a child five years of age and under is  
8 more than two hundred dollars (\$200) less than the corresponding  
9 commercial retail price. These savings will become even greater  
10 with the expected addition during the 2000 calendar year of a  
11 costly four-dose heptavalent pneumococcal vaccine to the  
12 recommended schedule.

13 (h) Utilizing this reduced price to purchase vaccines for  
14 children under the Healthy Families Program will serve the dual  
15 purpose of maximizing opportunities to immunize children and  
16 reduce public health risks, while at the same time saving taxpayer  
17 dollars.

18 SEC. 3. Section 12693.625 is added to the Insurance Code, to  
19 read:

20 12693.625. (a) As used in this section:

21 (1) "Covered vaccine" means all vaccines that are  
22 recommended by the guidelines of the federal Advisory  
23 Committee on Immunization Practices, the American Academy of  
24 Pediatrics, and the American Academy of Family Physicians, in  
25 their joint schedule for children 21 years of age and younger.

26 (2) "Department" means the State Department of Health  
27 Services.

28 (3) "Practitioner" means a physician, a doctor of osteopathy,  
29 or any other person who, acting within the scope of his or her  
30 practice and who is part of a Healthy Families Program provider  
31 network, is permitted to administer vaccines under state law.

32 (b) The board shall allocate to the department, out of funds  
33 appropriated for purposes of this part, sufficient funds to  
34 *implement this section. The department shall use these funds to do*  
35 all of the following:

36 (1) Purchase all covered vaccines in sufficient quantities to  
37 implement this section.

38 ~~(2) Secure and maintain such facilities as may be necessary for~~  
39 ~~the safe and adequate preservation of covered vaccines.~~



1 ~~(3) Distribute, free of charge, including the costs of handling~~  
2 ~~and shipping, covered vaccines to practitioners qualifying for the~~

3 (2) *Arrange for the safe and secure storage of covered vaccines*  
4 *at a warehouse facility licensed by the California State Board of*  
5 *Pharmacy.*

6 (3) *Contract with a licensed drug wholesaler for the*  
7 *distribution of covered vaccines which shall be provided free of*  
8 *charge to practitioners qualifying for the receipt of vaccines*  
9 *pursuant to subdivision (c).*

10 (c) In order to receive covered vaccines for administration to  
11 children pursuant to this section and who are enrolled in the  
12 Healthy Families Program, a practitioner shall agree to both of the  
13 following requirements:

14 (1) A practitioner shall not impose a charge for the provision  
15 of any vaccine against the recipient child, his or her parents or legal  
16 guardian, a third-party payor, or any other person.

17 (2) The practitioner shall provide documentation to the  
18 department detailing each vaccine administered by the  
19 practitioner, the date of administration, and the name and date of  
20 birth of the child to whom the vaccine was administered. The  
21 department ~~may~~ shall provide this information to the board which  
22 ~~may~~ shall share this information with the contracting health plan  
23 for purposes of quality monitoring and improvement activities.

24 ~~(d) A health plan contracting under this part shall pay the~~  
25 ~~practitioner an administrative fee on a per-shot basis for every~~  
26 ~~vaccine provided under this section that is not less than the per-shot~~  
27 ~~administrative fee paid under the Medi-Cal program.~~

28 ~~(e)~~

29 (d) This section shall not be implemented in any fiscal year  
30 unless funds have been specifically designated in the Budget Act  
31 for that fiscal year for implementation of this section.

32 ~~(f)~~

33 (e) Implementation of this section shall be consistent with  
34 federal regulations.

