

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3360-07
Bill No.: HCS for HB 852
Subject: Drugs and Controlled Substances; Health Care; Health Care Professionals; Health,
Public
Type: Original
Date: March 8, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Insurance Dedicated	\$8,000	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$8,000	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation** and the **Department of Economic Development - Division of Professional Registration** assume this proposal would not fiscally impact their agencies.

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this proposal would not have a fiscal impact on the DMS. DMS states currently, there are so few, if any, vaccines that contain mercury and are reimbursed by Medicaid that the fiscal impact would be negligible if these immunizations would be replaced with mercury free vaccines. The majority of the immunizations are paid through the Vaccine for Children (VFC) program. The DMS only pays an administration fee of \$5.00 for the immunization.

Officials from the **Missouri Department of Transportation (DOT)** state this proposal would have no fiscal impact to the MHTC/MODOT or the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state HCP benefits provide coverage for Childhood Immunizations including Poliomyelitis, Rubella, Rubeola, Mumps, Tetanus, Pertussis, Diphtheria, Hepatitis B, Hemophilus Influenza Type B and Varicella. HCP states approximately five of those covered immunizations, with manufacturers in the United States contain the mercury Thimerosal.

Since no preference would be given to mercury free formulations, HCP assumes this legislation would have no fiscal impact.

Officials from the **Department of Insurance (INS)** estimate 160 insurers and HMOs might be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$0 to \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

Officials from the **Department of Health and Senior Services (DOH)** assume that the vaccine to prevent some diseases, including influenza, diphtheria, and tetanus will not be available without a preservative. The DHT states it is difficult to administer and estimate the fiscal impact because of the following: (1) There are not currently any preservative-free vaccines, licensed for use in the U.S., for the prevention of diphtheria, tetanus, and influenza, (2) Some thimerosal-free vaccines may contain trace amounts of mercury left after production, (3) The DOH would be limited the flexibility to offer alternative preservative containing vaccines when production of preservative-free vaccine by a manufacturer(s) is delayed or in short supply. The DOH states the program costs are unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE

Costs - Department of Health and Senior Services

Program costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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INSURANCE DEDICATED FUND

Income - Department of Insurance

Filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND

<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Effective January 1, 2006, this proposal prohibits immunizations administered to children less than eight years old from containing mercury preservatives, including thimerosal. The Food and Drug Administration's designation of an immunization as "thimerosal free" or "trace only" will comply with requirements of this proposal. Other persons receiving immunizations that are not designated as "thimerosal free" or "trace only" are required to be informed that the immunization contains a mercury- based preservative.

Effective January 1, 2006, the proposal also requires insurers licensed in Missouri that provide coverage for immunizations on a fee schedule or a percentage reimbursement basis to reimburse for immunizations not containing mercury. This reimbursement must be at the same percentage rate of the usual and customary charges provided for immunizations containing mercury or other preservatives prior to January 1, 2006.


The Director of the Department of Health and Senior Services will be exempt from complying with the requirements of the substitute by providing documentation of an outbreak requiring a public vaccination program when a sufficient supply of vaccine that is mercury free is not available. Persons receiving an exempted immunization are required to be informed that it contains a mercury-based preservative. The duration of the exemption will be determined by the director.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Conservation
Department of Transportation
Missouri Consolidated Health Care Plan
Department of Social Services
Department of Health and Senior Services
Department of Insurance
Office of Attorney General
Department of Economic Development -
Division of Professional Registration

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
March 8, 2004