

vaccine available to under-insured girls, and the DPHE must pay the administrative cost for under-insured girls who receive the vaccine at certain local public health agencies.

The bill also creates the Cervical Cancer Immunization Fund and specifies that \$1.5 million from the Prevention, Early Detection, and Treatment Fund be transferred to the new fund. In addition, the bill establishes the Cervical Cancer Immunization Awareness Campaign Fund to allow the DPHE to conduct a public awareness campaign on the benefits of receiving cervical cancer immunization.

The bill adds cervical cancer immunization as an optional Medicaid service and as a mandatory coverage provision for all individual and group health benefit plans as of January 1, 2008.

Background

In June 2006, the Food and Drug Administration approved a new vaccine for young women and girls that protects against infection by certain strains of human papillomavirus (HPV). HPV is associated with cervical cancer and genital warts. The federal Advisory Committee on Immunization Practices has recommended that all girls be vaccinated at age 11 or 12, and that girls and women ages 13 to 26 be given a "catch-up" vaccination. Based on the committee's approval, the federally-funded Vaccines for Children program will pay for HPV vaccines for Medicaid-eligible and uninsured girls. As of January 19, 2007, Medicaid services include the cervical cancer vaccine for girls ages 11 to 20. The 3-dose HPV vaccine retails for about \$360 plus costs to administer the vaccine.

State Revenue

The bill allows for gifts, grants, and donations to both the Cervical Cancer Immunization Fund and the Cervical Cancer Immunization Awareness Campaign Fund. At this time, no gifts, grants, or donations have been identified.

State Transfers and Diversions

The bill directs a transfer of \$1.5 million from the Prevention, Early Detection, and Treatment Fund to the Cervical Cancer Immunization Fund. These funds would otherwise be used for breast and cervical cancer screening for low income women. In the current fiscal year, funding for breast and cervical cancer screening is \$3.6 million. HB07-1301 reduces this funding by 42 percent.

Should the Cervical Cancer Immunization Awareness Campaign Fund receive donations of \$800,000 by January 1, 2008, the bill directs a transfer from the Cervical Cancer Immunization Fund to the awareness campaign fund of \$200,000.

State Expenditures

This bill is expected to require total state expenditures of \$939,998 in FY 2007-08 and \$1,236,931 in FY 2008-09. Of the total in FY 2007-08, \$575,420 is for the DPHE, and \$364,578 is for the Department of Health Care Policy and Financing (DHCPF). These costs are described in detail under each department and are based on the following key assumptions:

- uptake of the cervical cancer vaccine without considering a state public awareness campaign will be 35 percent; however, since the vaccine requires three doses over 6 months, uptake of doses 2 and 3 are reduced by 50 percent;
- uptake of the vaccine due to a state public awareness campaign will depend on specific outreach activities and targeted groups, and is not estimated at this time; and
- implementation beginning July 1, 2007.

Department of Public Health and Environment. Anticipated expenditures for the department are \$575,420 each year. Of the total, \$225,000 is conditional upon the receipt of gifts, grants, and donations. Cost components are shown in Table 1 and described below.

Table 1. Expenditures for the DPHE Under HB07-1301.		
Cost Components	FY 2007-08	FY 2008-09
Payments to Local Health Agencies 5,757 girls X \$20/dose administration fee X 3 doses	\$345,420	\$345,420
Cervical Cancer Prevention Task Force	5,000	5,000
Public Awareness Campaign (Conditional)	225,000	225,000
Total for DPHE	\$575,420	\$575,420
Cervical Cancer Immunization Fund	350,420	350,420
Cervical Cancer Imm. Awareness Campaign Fund	225,000	225,000

Payments to Local Health Departments. The DPHE is expected to contract with local health agencies to administer vaccinations to under-insured girls ages 10 to 17. While the federal Vaccines for Children program covers the cost of the serum, the bill directs the DPHE to pay local agencies \$20 per dose for the three-dose cervical cancer vaccine. The department is expected to pay for 5,757 under-insured girls each year to receive the vaccine at a cost of \$60 per girl (\$345,420 total). This cost may increase if the state receives donations for and implements a public awareness campaign and more under-insured girls get the vaccine. Any increase is conditional upon the design and success of the campaign. The fiscal note assumes that any increase in costs related to a public awareness campaign will be addressed through the budget process.

Note: Although not factored into this fiscal note, the department anticipates payments for 28,359 girls ages 10 to 17 to receive the vaccine in FY 2007-08 resulting in costs of \$1,701,533. This would be an uptake rate of 100 percent of under-insured girls.

Cervical Cancer Task Force. The department expects to create a Cervical Cancer Prevention Task Force to investigate ways to administer cervical cancer vaccines in an economical fashion and to advise the Board of Health on rule promulgation. Costs for the task force of \$5,000 per year are expected.

Public Awareness Campaign. Subject to available funding, the department is to conduct a public awareness campaign on the benefits of cervical cancer immunization. The bill indicates that funding, up to \$1.0 million, for a campaign is conditional upon the receipt of donations. The cost of the campaign is estimated at \$225,000 in FY 2007-08 and FY 2008-09 from the Cervical Cancer Immunization Awareness Campaign Fund, and is expected to include market research, radio and billboard advertisements, and public relations activities. At this level of expenditures, the campaign could continue for several years if sufficient donations are received.

Department of Health Care Policy and Financing. Anticipated expenditures for the department are \$364,578 in FY 2007-08 and \$661,511 in FY 2008-09. Table 2 shows the anticipated costs for adding the cervical cancer vaccine to the Children's Basic Health Plan (CBHP).

Table 2. Expenditures for DHCPF Under HB07-1301		
Cervical Cancer Vaccine	FY 2007-08	FY 2008-09
CBHP Girls Ages 11-18 Receiving Vaccine	830	1,506
Serum and Provider Costs per 3-dose Series	\$439.25	\$439.25
<u>TOTAL for DHCPF</u>	<u>\$364,578</u>	<u>\$661,511</u>
General Fund Appropriation to the CBHP Trust	127,602	231,529
Federal Funds	236,976	429,982

CBHP. The bill specifically requires health benefit plans, including the CBHP, to cover the cervical cancer vaccine beginning January 1, 2008. The fiscal note assumes that 830 girls will receive the vaccine at a cost of \$439.25 each in FY 2007-08. The cost of the vaccine includes both the serum and 2 provider visits. In FY 2008-09, 1,506 girls are expected to receive the vaccine based on a full year of implementation.

Funding for the CBHP is 65 percent from federal funds and 35 percent from the CBHP Trust. Projections indicate that the revenue streams for the trust will not cover all expenses and General Fund monies will be required. Therefore, the costs generated by this bill require that additional General Fund monies be appropriated to the trust.

Medicaid. Based on recommendations of the federal Advisory Committee on Immunization Practices that girls and women ages 11 to 26 receive the cervical cancer vaccine, it is currently available to Medicaid-eligible girls up to age 20 through the federally-funded Vaccines for Children program or the Colorado Infant

Immunization Program. While the bill adds the vaccine as an optional Medicaid benefit to Medicaid-eligible women ages 21 to 26, Medicaid is expected to cover the vaccine for these women regardless of the bill's requirement beginning in FY 2007-08. Thus, these costs are not included in the fiscal note.

Public Awareness Campaign. If the state receives donations for and implements a public awareness campaign, costs for Medicaid and the CBHP may increase due to more girls and women receiving the vaccine. Any increase is conditional upon the design and success of the campaign. While the DHCPF anticipated a 6 percent increase in uptake of the vaccine, the fiscal note assumes that any increase in costs for Medicaid or CBHP related to a public awareness campaign will be addressed through the budget process once campaign design and effectiveness is known.

State Employee Health Plans. Currently, all state employee health plans provide coverage for cervical cancer vaccines. However, state employee health plans may experience increased premiums if a cervical cancer vaccine public awareness campaign is implemented and uptake of the vaccine among state employees and their dependents increases. While premium increases are generally paid by state employees in the first year, the General Assembly may be influenced to increase the state's contribution in order to meet the statutory requirement of providing benefits comparable to private sector employers.

Local Government Impact

Local health departments are expected to have increased utilization of their services due to state funding of cervical cancer vaccine administration and a public awareness campaign. Any increase in costs should be off-set by the \$20 per dose fee paid by the state. The serum itself is provided by the federal Vaccines for Children program at no cost to local health departments.

State Appropriations

For FY 2007-08, the fiscal note indicates that the following appropriations should be made:

- Department of Public Health and Environment - \$350,420 cash funds exempt, Cervical Cancer Immunization Fund;
- Children's Basic Health Plan Trust - \$127,602 General Fund; and
- Department of Health Care Policy and Financing - \$127,602 cash funds exempt, CBHP Trust and \$236,976 federal funds (\$364,578 total).

Departments Contacted

Public Health and Environment
Regulatory Agencies
Personnel and Administration

Health Care Policy and Financing
Joint Budget Committee Staff
Treasury