

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 07-0156
Prime Sponsor(s): Sen. Williams
 Rep. May M.

Date: January 30, 2007
Bill Status: Senate Health and Human Services
Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING THE PREVENTION OF CERVICAL CANCER.

This fiscal note is provided pursuant to Joint Rule 22 (b)(2). It is based on amendment SB080_L.002, which strikes everything below the enacting clause of the introduced bill.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue	\$ 0	\$ 0
State Expenditures	See State Expenditures section.	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: August 8, 2007, assuming the General Assembly adjourns as scheduled and a referendum is not filed.		
Appropriation Summary for FY 2007-2008: None.		
Local Government Impact: Conditional costs for local schools and health departments.		

Summary of Legislation

With adoption of SB080_L.002, the bill requires girls entering the 6th grade to submit evidence to the school that they have been vaccinated for human papillomavirus (HPV) or that the girl's parent or guardian has elected for her not to receive the vaccine. This requirement is conditional upon the Department of Public Health and Environment (DPHE) certifying that a sufficient number of local health departments have received Federally Qualified Health Center status.

In addition, DPHE must develop information about the link between cervical cancer and HPV, and the availability of a HPV vaccine. This information must be presented to girls and their parents.

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 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. The 3-dose HPV vaccine costs about \$360 in the private sector in addition to costs to administer the vaccine.

State Expenditures

State expenditures are conditional upon the DPHE certifying that a sufficient number of local public health departments have received designation as Federally Qualified Health Centers. At this time, the time line for achieving the designation is unknown. However, when and if DPHE makes the certification, the Department of Health Care Policy and Financing will incur additional expenditures as described below.

Department of Health Care Policy and Financing. If the HPV vaccine is required for school, the Medicaid and Children's Basic Health Plan (CBHP) utilization rate of the vaccine is expected to increase. For Medicaid, the vaccine will be covered 100 percent by federal funds, but the state must contribute 50 percent of the costs to administer the vaccine. This cost ranges from \$6 to \$19.50 for the 3-shot series depending on where the vaccine is administered. Approximately 3,000 Medicaid-eligible girls entering 6th grade are expected to receive the vaccine each year. While the number of those receiving the vaccine as a result of this bill is unknown, the fiscal impact could be as high as \$54,000, split equally between the General Fund and federal funds.

Since CBHP providers are paid a capitated rate, the cost of the vaccine will be spread over the entire population in the form of an increase to the per member per month rate and is shared between state and federal funds. Approximately 600 girls entering the 6th grade are expected to receive the vaccination through CBHP each year. While the number of those receiving the vaccine as a result of this bill is unknown, the fiscal impact could be as high as \$300,000, shared between state and federal funds.

The fiscal note assumes that the annual budget process will be used to address increased expenditures in the department when the DPHE implements the vaccination requirement.

Department of Public Health and Environment. The department is required to prescribe the content of information to be provided to girls and their parents about HPV, the link to cervical cancer, and the available vaccine. This activity is absorbable within the existing resources of the department. **The bill is silent as to who must provide approximately 265,000 girls and their parents information about HPV. Should the DPHE be expected to provide written materials to them, additional expenditures for publishing, printing, and distribution would be incurred.**

State Employee Health Plans. State employee health plans may also experience increased premiums if the HPV vaccines is required for school. 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

Schools. About 1,300 schools are expected to incur costs for increased tracking of required vaccinations, when and if DPHE requires girls entering the 6th grade to submit evidence that they have been vaccinated for HPV or have opted-out. In addition, even though the bill is silent as to who must provide information about HPV to girls and their parents, it is likely that schools will provide the information when explaining the vaccine requirement to parents, and will incur related costs.

Local Health Departments. Uninsured and under-insured girls are expected to receive the HPV vaccine through local health departments, when and if DPHE implements the requirement. While federal funds can be used for the cost of the vaccine, patients are expected to pay a provider fee of \$14.74 per dose. If the patient cannot pay this fee, local health departments cover this cost.

State Appropriations

None are required at this time.

Departments Contacted

Public Health and Environment
Education

Health Care Policy and Financing
Personnel and Administration