

# Immunization Update/HB05-1161 and SB05-087 Preliminary Bill Analyses

For the Health District of Northern Larimer County Board of Directors

January 28, 2005

<u>SB05-087</u>	<u>HB05-1161</u>
<p><b>Bill Title:</b> Concerning Childhood Immunizations</p> <p><b>Summary:</b> Authorizes the department of public health and environment or the department's contractor to directly contact a parent or legal guardian for the purpose of notifying the parent or legal guardian of immunizations if immunizations are due or overdue. This bill requires county, district, and regional health departments and providers of public health nursing services to report immunization information to the immunization tracking system and to use a reminder and recall process, subject to available funding.</p> <p><b>Sponsors:</b> Senators Shaffer, Hanna, Williams, Tupa, Gordon, Isgar, Bacon, Groff, Hagedorn, Sandoval, Tochtrop, and Windels; House: none.</p> <p><b>Committees:</b> Health and Human Services</p> <p><b>History:</b> Assigned to Senate HHS</p> <p><b>Estimated Date of Next Action:</b> Not on Calendar</p> <p><b>Date of Analysis:</b> January 25, 2005</p>	<p><b>Bill Title:</b> Concerning Reporting Immunization Information and, in connection therewith, creating the immunization tracking fund and allowing qualified insurance.</p> <p><b>Summary:</b> Includes provisions for immunization reporting, including: requiring the CO Board of Health to formulate rules for organizations that receive state financial assistance for immunization; establishing an Immunization Tracking Fund; authorizing the department to accept gifts, grants and donations from organizations to assist in gathering and reporting immunization information; and, allowing qualified insurance companies to claim a credit against insurance premium tax.</p> <p><b>Sponsors:</b> House: Pommer, Senate: None</p> <p><b>Committees:</b> Health and Human Services and Finance</p> <p><b>History:</b> Introduced in House 1/17; assigned to HHS and Finance</p> <p><b>Estimated Date of Next Action:</b> On calendar 1/31</p> <p><b>Date of Analysis:</b> January 25, 2005</p>

## Background

The Centers for Disease Control rank vaccination as one of the top ten most effective public health measures in the last 100 years. Despite the proven efficacy of vaccination, childhood immunization rates remain surprisingly low in several regions of the United States. Colorado ranked 50<sup>th</sup> among the states in overall childhood vaccination rates in the 2002 and 2003 National Immunization Surveys (NIS). Currently, nearly one-third of Colorado children have not received all of their routine vaccinations. Furthermore, NIS studies demonstrate that low immunization rates result not only in disparaging social costs, such as morbidity, but also impact economic expenditures. Illustrating this point, a study conducted by epidemiologists at The Colorado Children's Hospital determined that hospitalization costs in the State for vaccine-preventable diseases among children in 2003 exceeded \$24 million, \$10 million of which was covered by public insurance programs (MCD, CHPP).<sup>1</sup> Had infants and children who were either uninsured or insured by Medicaid or CHPP been immunized at the rate of those who were privately insured, the researchers estimated the state would have saved \$7,000,000 in hospitalization costs.

Various socio-economic factors affect immunization rates, including parental choice in inoculation and provider access among underserved populations. Additionally, public health experts have identified fragmented immunization records and deficient reminder systems for providers and parents as negatively impacting childhood immunization rates. In response to these informational barriers, almost every state has developed a population-wide immunization registry that allows health care providers to electronically monitor children's vaccinations as well as maintain an ongoing and complete record of those vaccinations. Computerized information systems of this type work to ensure that children remain current on their shots, effectively decreasing the latent social and economic costs associated with low childhood immunization rates.

Pursuant to the Colorado Infant Immunization Act (§25-4-17 CRS), the University of Colorado Health Sciences Center, on behalf of Colorado Department of Public Health and Environment (CDPHE), operates Colorado's immunization registry. The registry, also known as the Colorado Immunization Information System (CIIS), is a confidential web-based

<sup>1</sup> M Anderson, et.al., State of Health of Colorado's Children, Draft 14 November 2004

system capable of centrally collecting and disseminating vaccination data for Colorado children. At present, almost 50% of Colorado children have records in the CIIS; approximately 60% of public and community health programs and 35% of private physicians report immunizations to CIIS.<sup>2</sup> Although the registry system is fully operational, Colorado law prevents the State Health Department or its contractors (including CIIS) from directly contacting parents regarding immunization records unless such communication is necessary to control an outbreak or epidemic.

### **Why is an immunization registry important?**

The Larimer County Department of Health and Environment (LCDHE) created a population based immunization registry for children in 1993. Operated by the Health District, the registry was used to remind local parents of needed vaccinations from 1997 to 2004. Thereafter, all records were transferred and providers were linked directly with CIIS. Currently, none of the providers within Larimer County are utilizing the reminder recall system. Facilitating use of this system remains one of the key objectives of the Childhood Immunization Outreach Program.

### **Overview of SB05-087**

This bill authorizes DPHE, or its contractor, to directly contact a parent or guardian regarding due or overdue immunizations, or in an attempt to control a vaccine-preventable disease outbreak. Additionally, SB05-07 mandates that local health departments and health nursing service providers, so long as adequate funding is available, report vaccination data to the immunization tracking system as well as use the system's reminder and recall process.

Colorado Legislative Council staff has determined that the DPHE will be able to absorb all costs associated with reminding parents and guardians of due or overdue immunizations. Specifically, the fiscal note for SB05-87 works on the assumption that local health departments and health nursing service providers will be able to report immunization data with existing resources; thus, Legislative Council staff has determined that SB05-087 will have no fiscal impact.<sup>3</sup>

### **Overview of HB05-1161**

HB05-1161 mandates that the Colorado Board of Health create rules for organizations that receive state financial immunization for infants, children and students to collect and report vaccination data to the immunization tracking system. Furthermore, the bill establishes the Immunization Tracking Fund and authorizes the department to accept gifts, grants and donations to aid in collecting and reporting vaccination information. Additionally, qualified insurance companies are permitted to claim a credit against insurance premium tax.

Currently, Colorado law permits insurance companies to claim a premium tax credit for contributions to capital companies (CAPCOs) certified by the Colorado Office of Economic Development and International Trade. Explicitly, insurance companies provide cash to CAPCOs in exchange for a tax credit; thereafter, the companies invest the money into qualifying businesses. In 2002, insurance carriers provided \$100 million to CAPCOs in exchange for premium tax credits to be claimed over the next ten years. Specifically, each company is allowed to take as much as ten percent of the vested tax credit each year, dispersed over a ten year span. In 2004, the General Assembly reallocated the \$100 million tax credit, with \$5 million allocated annually to CoverColorado and \$5 million annually to the Venture Capital Authority.<sup>4</sup>

The Immunization Tracking Fund created by HB05-1161 allows insurance companies to make contributions annually of up to \$5 million to the Fund. Specifically, the legislation allows companies to designate either the Immunization Tracking Fund or CoverColorado to receive contributions. As a result, potential reductions in CoverColorado revenues could amount to as much as \$5 million each year, possibly removing CAPCO dollars from the CoverColorado funding stream.<sup>5</sup>

### **Reasons to support an immunization registry:**

- The National Academies of Pediatrics and Family Practice have found reminder messages to be the single most effective means to improve the immunization status of children.
- Reminder and recall vaccination notices are a proven strategy to increase and sustain high vaccination coverage and have been recommended by the U.S. Task Force for Community Preventive Services.
- Colorado has had the lowest children's immunization rates in the country for two years.

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<sup>2</sup> Elaine Lowrey, Director, CIIS, December 2004

<sup>3</sup> SB05-087 Fiscal Note

<sup>4</sup> HB05-1161 Fiscal Note. See §24-46-202-4, §10-8-534 CRS.

<sup>5</sup> HB05-1161 Fiscal Note.

- In Colorado, vaccine preventable infections continue to circulate in the population and to cause disease and death among Colorado’s children, including: influenza; pertussis (whooping cough); varicella (chicken pox); and streptococcus pneumoniae.
- Public/private initiatives to improve vaccination rates would result in decreased healthcare costs while improving the health outcomes of Colorado’s children.
- The CPPHE has a stated performance goal to increase the number of fully immunized children from the current rate of 62% to 80% in order to prevent the spread of vaccine preventable disease.
- Current statutory language prohibiting the state health department from directly contacting parents creates an unnecessary barrier to delivering appropriate public health responses.
- Parents retain the right to respond to the reminder messages. They also have the right to opt out of the registry.

**Reasons to oppose an immunization registry:**

- Historically, Western states like Colorado have emphasized local governance and citizen initiative, and this propensity has shaped both the structure of administration in these states as well as citizens’ view of the role of government. Within this context, centralized data collection in line with CIIS may be perceived as outside the sphere of state government.

**Preliminary Pro/Con Analysis of HB05-1161 and SB05-087<sup>6</sup>**

	<b>PROS</b>	<b>CONS</b>
<b>HB05-1161</b>	<ul style="list-style-type: none"> <li>• HB05-1161 provides for CIIS funding. In light of this provision, all health care providers receiving state funding for immunization are required to collect and report data.</li> <li>• Potentially, funding could meet or exceed costs incurred in the operation of CIIS statewide; however, as evidenced in the fiscal note for this bill, only calculation of maximum state expenditures and revenues is possible at this time, as the projected source of funding is based on venture capital investments.</li> </ul>	<ul style="list-style-type: none"> <li>• CoverColorado could lose as much as \$5 million annually if companies choose to designate contributions to the Fund.</li> <li>• CO law allows health insurance carriers to reduce the amount of special assessments imposed by CoverColorado, in an exact dollar match, by contributing to the program. So long as special assessments apply, it is in the interest of these carriers to contribute in order to reduce the overall assessment required to fund Cover Colorado.</li> <li>• Because contributions to the Immunization Tracking Fund increase assessments needed to fund CoverColorado, there is possible disincentive for carriers to contribute to the Fund</li> <li>• Cash fund contributions would count against the TABOR limit.</li> </ul>
<b>SB05-087</b>	<ul style="list-style-type: none"> <li>• SB05-087 does assure participation in the CIIS by local public health if there is available funding.</li> <li>• SB05-087 language will likely be amended to include funding mechanisms.</li> <li>• CIIS is not entirely without funding without specific designation in SB05-087. CIIS has been funded by a CDC grant of \$400,000 for the last two years.</li> </ul>	<ul style="list-style-type: none"> <li>• There is no proposed source of public funding to support CDPHE reminder and recall activities or local public health registry reporting.</li> <li>• Statewide deployment of CIIS would cost approximately \$1.5 million over two years and \$350 thousand per year thereafter.</li> <li>• Therefore, as currently written, SB05-087 may work as an unfunded mandate.</li> </ul>

**Board Position:**

The Board strongly supports the creation, funding, and maintenance of statewide immunization registries, reported to by all providers, with the capacity and permission to perform reminder and recall activities. Staff will continue to monitor both HB05-1161 and SB05-07 and comment to the Board on the strengths and weaknesses of each bill as they are amended.

<sup>6</sup> The majority of this information is from the fiscal notes for SB05-087 and HB05-1161.

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**About this Analysis**

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. Analyses are based on bills or issues at the time of their consideration by the Board and are accurate to the best of staff knowledge. It is suggested that people check to see whether a bill has changed during the course of a legislative session by visiting the Colorado General Assembly web page at [www.state.co.us/gov\\_dir/stateleg.html](http://www.state.co.us/gov_dir/stateleg.html). To see whether the Health District Board of Directors took a position on this or other policy issues, please visit [www.healthdistrict.org/policy](http://www.healthdistrict.org/policy).

**About the Health District**

The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. Their mission is to improve the health of the community.

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