Agency:	**107** Health Care Authority
Decision Package Code/Title:	**PL-IK Vaccines for CHIP Kids**
Budget Period:	**2013-15 Biennial Submittal**
Budget Level:	**PL –** Performance Level

Recommendation Summary Text

The Health Care Authority (HCA) is requesting $2,440,000 ($854,000 GF-State) in the 2013-15 Biennium to work with the Department of Health (DOH) to acquire vaccines for children enrolled in the Children's Health Insurance Program (CHIP).

Package Description

HCA is requesting funding to reimburse DOH for bulk purchasing of childhood vaccines for children eligible for CHIP. Currently, DOH purchases vaccines in bulk from the Center for Disease Control (CDC) for all children in Washington using a variety of federal and private funding.

Recent clarification provided by the CDC and the Centers for Medicare and Medicaid Services (CMS) have directed DOH to discontinue the use of Section 317 funds to purchase these vaccines for CHIP children as they are not statutorily eligible. In addition, funds from the Vaccine for Children (VFC) and Washington Vaccine Association (WVA) are also prohibited by federal and state statute from being used to purchase these vaccines. These restrictions eliminate the funding that was previously used to purchase vaccines for children in CHIP.

HCA is still required per federal regulation, §2102(a) (7) of the Social Security Act, to cover the cost of vaccines for CHIP eligible children. HCA assumes that it will be more cost effective to reimburse DOH for the continued purchase of vaccines through the bulk purchasing program versus purchasing them independently or having providers purchase and seek reimbursement for their cost.

Based on client information, immunization data, a rate tool used by DOH, and recent expenditures, the total estimated cost per year is $1.2 million or $0.4 million in GF-State as the federal match rate for CHIP (Title XXI) is 65%. Actual expenditures will vary each year based on the number of vaccines requested and the cost of the vaccine given. Based on information on the CDC website, the bulk rate per vaccine can be as low as $9 for influenza and as high as $112 for Human Papillomavirus. For FY 2014 the average monthly eligibility for CHIP is 27,336 children per the Caseload Forecast Council website.

Questions related to the fiscal portion of this decision package should be directed to Marcia Wendling at (360)725-1836 or at marcia.wendling@hca.wa.gov.

Fiscal Detail/Objects of Expenditure

	FY 2014	FY 2015	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	$ 427,000	$ 427,000	$ 854,000
Fund 001-2 GF-Federal	$ 793,000	$ 793,000	$ 1,586,000
Total	**$ 1,220,000**	**$ 1,220,000**	**$ 2,440,000**

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	FY 2014	FY 2015	Total
3. Objects of Expenditure:			
N - Grants, Benefits & Client Services	$ 1,220,000	$ 1,220,000	$ 2,440,000
Total	**$ 1,220,000**	**$ 1,220,000**	**$ 2,440,000**

	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-2 GF-Federal	$ 793,000	$ 793,000	$ 1,586,000
Total	**$ 793,000**	**$ 793,000**	**$ 1,586,000**

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

HCA will continue to ensure that necessary vaccines are available to children eligible for CHIP (Title XXI) while maximizing federal funds.

Performance Measure Detail

This request provides funding to ensure that children eligible for CHIP are receiving the services they are entitled to.

Activity Inventory

H010 HCA Healthy Options
H011 HCA All Other Clients - Fee for Service - Mandatory Services
H012 HCA All Other Clients - Fee for Service - Optional Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This request is essential to comply with federal regulation, and takes advantage of bulk purchasing of vaccines from the CDC.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This request provides for the purchase of vaccines for children, an essential component of the Governors "Cover All Kids" priority.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes. This request supports the Governor's priority: Improve the health of Washingtonians by providing for the efficient purchase of vaccines for children eligible for CHIP.

What are the other important connections or impacts related to this proposal?

Providing vaccines to children eligible for CHIP is required to meet federal regulations as specified in §2102(a) (7) of the Social Security Act.

What alternatives were explored by the agency, and why was this alternative chosen?

HCA and DOH have met to discuss alternatives. Following are some of the alternatives and why they were not selected.

- Have DOH continue to purchase vaccines through the CDC bulk purchasing program and seek GF-State dollars to cover the amount associated with CHIP. This would take advantage of the lower rates offered by CDC, but would not maximize the use of federal funding available through CHIP.
- Have DOH continue to purchase vaccines through the CDC bulk purchasing program and seek GF-State dollars to cover the state match amount associated with CHIP and have HCA seek increase spending authority for the federal match. This would take advantage of the reduced rates, but splits the funding between the two agencies creating the need for additional administrative oversight.
- Have DOH discontinue purchasing on behalf of CHIP and have providers that treat CHIP clients pay for the vaccines and bill HCA. This would create additional work for both the provider and HCA and does not take advantage of the reduced purchase price offered to DOH via the CDC bulk purchasing program.
- Have HCA request changes to CHIP and other state statutes so that they could be eligible for existing DOH funding. This would reduce the flexibility in making changes to the program in the future, does not meet the current needs to fund the purchase of vaccines, and may have unintended consequences.

What are the consequences of not funding this package?

HCA will be unable to provide vaccines maximizing federal funds and at a lower cost by utilizing the CDC bulk purchasing program through DOH.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

HCA and DOH will need to enter into an Interagency Agreement so that DOH is able to continue to utilize the bulk purchasing program with the CDC on behalf of HCA and children eligible for CHIP.

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:
This reflects the anticipated federal funds from CHIP (Title XXI).

Expenditure Calculations and Assumptions:

HCA pulled claims data on the number and types of vaccines given to eligible children and provided this information to DOH. DOH then used previous expenditures and their rate estimator to estimate the amount associated with CHIP clients.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

All costs are assumed to be on-going.

Budget impacts in future biennia:

Actual expenditures from year to year will vary due to eligibility, required vaccination schedules, vaccines received, and rates offered by the CDC.