

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4321/3		Introduction Number AB-1181	
Description Mercury in drugs, prohibiting different insurance coverage of immunizations for children on the basis of the amount of mercury contained in the vaccine used, and providing a penalty			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

DHFS 6/20/2006

LRB Number	05-4321/3	Introduction Number	AB-1181	Estimate Type	Original
Description Mercury in drugs, prohibiting different insurance coverage of immunizations for children on the basis of the amount of mercury contained in the vaccine used, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Current law directs the Department to carry out a statewide immunization program to eliminate a number of childhood diseases, including diphtheria, mumps, measles, polio, Varicella (chicken pox) and other diseases that the Department specifies by rule. The Department can also provide vaccines to adults. Children are required under state law to show proof of immunization within 30 days of enrollment in any school or day care. School districts and local public health departments may request vaccine from the Department, which must provide it if federal and state funds are available. Persons immunized cannot be charged for vaccines furnished by the Department.

The Department's immunization program is entirely federally funded. For the vaccination of children ages 0 to 18, the Department receives federal funds from two sources, the Vaccines for Children (VFC) program and from funds provided under Section 317 of the Public Health Service Act. VFC funds must be used to immunize MA-eligible children, those who are uninsured, and Native American and Alaska Native children. Children who are underinsured (those whose health insurance does not cover vaccinations) may also receive VFC vaccines in Federally Qualified Health Centers and rural health centers. Section 317 funds are awarded to states for the direct purchase of vaccine, which can be used for any child. Approximately 65% of the 70,000 children born each year are vaccinated through private providers and the remaining 35% through the State.

This bill prohibits individuals who administer vaccines, within six months of passage of the bill, from using a vaccine that contains more than 0.5 micrograms of mercury per 0.25 milliliters of vaccine. The bill further provides that, within two years after the enactment of the bill, no one in Wisconsin can administer a vaccine that contains any mercury at all. The bill allows patients, parents or guardians to sign consent forms to waive the requirement.

Currently a small number of vaccines for childhood and adult diseases specified in statute contain small amounts of mercury as a preservative. Mercury is also used in the processing of vaccines and is removed during the manufacturing process, but trace amounts of mercury may remain. Removing all traces of mercury would require a new manufacturing process on the part of companies which provide vaccines. It is not anticipated that manufacturers of vaccines, especially those in short supply, such as the influenza vaccine, will develop a new manufacturing process that removes all traces of mercury within the next two years. As a result of this bill, the vaccine supply in Wisconsin is likely to be severely restricted.

Under this bill, within two years the Department would lose access to many vaccines currently in use and would not be able to meet the State's demand for vaccines. Private providers would also be significantly affected by this requirement. If individuals are not able to receive vaccines against contagious diseases, there will be an increase in these diseases that will result in medical, hospitalization, and other associated costs. Childhood vaccination averts 210,000 cases of preventable diseases and 660 deaths in Wisconsin each year and saves an estimated \$210 million in direct health care costs every year.

It is not possible to determine the fiscal effect of this bill on the Department because it is not known whether enough vaccines without mercury could be developed to immunize the state's population, how many individuals will choose to accept vaccines which contain mercury, and how many will prefer to remain unvaccinated. If a significant number of parents refuse to allow their children to be vaccinated with vaccines containing trace amounts of mercury, then the chances of an outbreak of communicable disease are increased. Any outbreak of communicable disease will result in staff and resource costs to the Department which it is not possible to estimate.

In addition, as a result of this bill, the cost of vaccines without mercury is likely to increase as demand increases. If this occurred, the cost of vaccines could exceed the amount of federal funding available and state funding would be required to make up any difference. If the cost of providing vaccines increases as a

result of the provisions of this bill, Medical Assistance costs would also be affected.

The bill also requires the Department to test the mercury content of vaccines and semiannually post the test results on the Department's website. The Department has no laboratory capacity to perform such tests and would have to contract with another agency for this activity, such as the State Laboratory of Hygiene (SLOH) at the University of Wisconsin. It is not known whether the SLOH has the capacity to perform these tests. If there were no laboratory capacity in Wisconsin, the function would have to be contracted to an agency in another state. The cost of such a contract is estimated to be at least \$500,000 annually.

AB 1181 also requires the Department to develop a consent form that patients, parents or guardians may sign to exempt themselves or their children from the ban on vaccines with trace amounts of mercury. The statements to be included in the form have not been verified by any scientific study to date. Further research would have to be undertaken to produce a form with which the scientific community can agree. The cost of undertaking this research and developing this form cannot be estimated.

Long-Range Fiscal Implications