

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

REVISED

**BILL NUMBER:** House Bill 431 (Second Edition)

**SHORT TITLE:** Phase Out Mercury in Childhood Vaccines.

**SPONSOR(S):** Representatives Dollar and Goforth

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<u><b>FY 2007-08</b></u>	<u><b>FY 2008-09</b></u>	<u><b>FY 2009-10</b></u>	<u><b>FY 2010-11</b></u>	<u><b>FY 2011-12</b></u>
<b>REVENUES</b>	<b>\$3,977</b>	<b>\$143,162</b>	<b>\$154,615</b>	<b>\$166,984</b>	<b>\$180,343</b>
<b>General Fund</b>					
<b>EXPENDITURES</b>	<b>\$3,977</b>	<b>\$143,162</b>	<b>\$154,615</b>	<b>\$166,984</b>	<b>\$180,343</b>
<b>POSITIONS (cumulative): N/A</b>					
<b>PRINCIPAL DEPARTMENTS &amp; PROGRAM(S) AFFECTED:</b> Dept. of Health and Human Services/Div. of Public Health					
<b>EFFECTIVE DATE:</b> This act is effective January 1, 2008					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Dept. of Health and Human Services/Div. of Public Health					
<b>EFFECTIVE DATE:</b> This act is effective January 1, 2008					

**BILL SUMMARY:**

This bill would amend GS 130A-152 so as to limit the amount of thimerosal in required vaccines given to children under eight years old and to prohibit the administration of flu vaccines containing thimerosal to children ages 6 months to 35 months old and pregnant women, with exceptions. Those exceptions are: 1) if no alternative vaccines are available; and 2) in times of emergency, supply disruption, vaccine shortage or epidemic as determined by the State Health Director.

In addition, the bill would require DHHS to study the feasibility of requiring all vaccines to be free of thimerosal and report the findings to the 2008 Regular Session of the General Assembly upon its

convening. If enacted this bill is effective January 1, 2008, with the exception of the study which is due upon the convening of the General Assembly on May 6, 2008.

**ASSUMPTIONS AND METHODOLOGY:** In performing this analysis of fiscal impact it has been understood, based on direct conversations between Rep. Nelson Dollar, Rep. Bruce Goforth, Dr. Leah Devlin, State Health Director and Dr. Kevin Ryan, Chief, Women's & Children's Health Section, DPH/DHHS that the language in the bill stating "Vaccines, containing the preservative thimerosal, administered to children under the age of eight years shall not contain more than 0.5 micrograms of mercury per 0.5 milliliter dose" refers solely to required vaccines. The calculations in this analysis have been based on that understanding, provided to DPH by Reps. Dollar and Goforth.

The costs associated with HB 431 are due to the increased cost of purchasing thimerosal-free influenza vaccine compared to flu vaccines containing thimerosal. Because the bill would become effective January 1, 2008 and the great majority of flu vaccine will have been purchased and distributed before January 1, the increased cost to the program in FY 2007-08 will be quite small. For the first full flu season subject to H431 (FY 2008-2009) it is estimated that the increased cost to the state of using solely thimerosal-free flu vaccine in the cohorts designated by the bill (i.e. pregnant women and children between the ages of 6 months and 35 months) is approximately \$143,162 (see calculations below). It should also be noted that the increased costs of complying with this legislation also will affect private health insurers and citizens who pay out-of-pocket for health care, although this amount is not known.

Vaccine costs are estimated to increase 8 percent annually, based on historical increases in the price of vaccine.

The study called for in HB 431 should involve only limited expenditures, since primary research has already been completed.

The figures in the table below are derived from the most recent flu season (2006-2007). This season has then been used to calculate the costs of H431 in future years. This calculation is also the basis of the estimated cost of H431 in FY 2007-2008; however, because little of the 2007-2008 flu season will occur after the implementation date of H431, only a relatively small increased cost will be incurred in FY 2007-2008 (approximately 3%, based on immunization program experience last flu season).

**SOURCES OF DATA:** Department of Health and Human Services, Division of Public Health

<b>Proposed HB431 Thimerosal Free Replacement Doses</b>			
<b>Manufacturer/product</b>	<b># Doses</b>	<b>Cost per Dose</b>	<b>Total</b>
Sanofi Aventis 10 dose vials <sup>1</sup>	73,643	10.15	\$747,476.45
Sanofi Aventis single dose vials	73,643	13.75	\$1,012,591.25
	<b>Additional Cost to Program</b>		<b>\$265,114.80</b>
	<b>VFC Funds</b>		<b>\$132,557.40</b>
	<b>State Funds</b>		<b>\$132,557.40</b>
<b>Cost increase FY 2008-2009 (projected 8% increase in cost of vaccine)</b>			<b>\$143,161.99</b>
<sup>1</sup> Sanofi Aventis Fluzone contains 25 ug mercury per .5 ml dose, 2006-2007 formula package insert			

**TECHNICAL CONSIDERATIONS:** None

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Fiscal

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**DATE:** August 1, 2007

**Signed Copy Located in the NCGA Principal Clerk's Offices**