



Senate

General Assembly

File No. 393

February Session, 2004

Substitute Senate Bill No. 167

Senate, April 1, 2004

The Committee on Public Health reported through SEN. MURPHY of the 16th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE PURCHASE, STORAGE AND DISTRIBUTION OF INFLUENZA AND PNEUMOCOCCAL VACCINES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 6 of public act 03-3 of the June 30 special session is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2004*):

4 (a) Not later than September 1, [2003] 2004, and annually thereafter,
5 the Secretary of the Office of Policy and Management, in consultation
6 with the Commissioner of Public Health, shall (1) determine the
7 amount appropriated for the following purposes: (A) To purchase,
8 store and distribute vaccines for routine immunizations included in
9 the schedule for active immunization required by section 19a-7f; (B) to
10 purchase, store and distribute (i) vaccines to prevent hepatitis A and B
11 in persons of all ages, as recommended by the schedule for
12 immunizations published by the National Advisory Committee for
13 Immunization Practices, (ii) antibiotics necessary for the treatment of

14 tuberculosis and biologics and antibiotics necessary for the detection
15 and treatment of tuberculosis infections, [and] (iii) antibiotics to
16 support treatment of patients in communicable disease control clinics,
17 as defined in section 19a-216a, and (iv) vaccines to prevent influenza
18 and pneumococcal disease in persons of all ages, as recommended by
19 the schedule for immunizations published by the National Advisory
20 Committee for Immunization Practices; and (C) to provide services
21 needed to collect up-to-date information on childhood immunizations
22 for all children enrolled in Medicaid who reach two years of age
23 during the year preceding the current fiscal year, to incorporate such
24 information into the childhood immunization registry, as defined in
25 section 19a-7h, and (2) inform the Insurance Commissioner of such
26 amount.

27 (b) (1) Each domestic insurer or health care center doing life
28 insurance or health insurance business in this state shall annually pay
29 to the Insurance Commissioner, for deposit in the General Fund, a
30 health and welfare fee assessed by the Insurance Commissioner
31 pursuant to this section. Each pharmaceutical company doing business
32 in this state shall annually pay to the Secretary of the Office of Policy
33 and Management, for deposit in the General Fund, a health and
34 welfare fee assessed by the secretary pursuant to this section.

35 (2) Not later than October 1, 2003, the Insurance Commissioner shall
36 determine the fee to be assessed against each such domestic insurer or
37 health care center for the fiscal year ending June 30, 2004. Not later
38 than October 1, 2003, and annually thereafter, the Insurance
39 Commissioner shall determine the fee to be assessed against each such
40 domestic insurer or health care center for the next fiscal year. Such fee
41 shall be a percentage of the total amount appropriated, as identified in
42 subsection (a) of this section, and shall be calculated on the basis of life
43 insurance premiums and health insurance premiums and subscriber
44 charges in the same manner as calculations under section 38a-48. Not
45 later than November 1, 2003, and annually thereafter, the Insurance
46 Commissioner shall submit a statement to each such insurer and health
47 care center that includes the proposed fee for the insurer or health care

48 center calculated in accordance with this section. As used in this
49 section, "health insurance" means health insurance, as defined in
50 subdivisions (1) to (13), inclusive, of section 38a-469.

51 (3) Not later than October 1, 2004, and annually thereafter, the
52 Secretary of the Office of Policy and Management shall compile a list
53 of each pharmaceutical company doing business in this state and shall
54 determine the fee to be assessed each such pharmaceutical company.
55 Not later than November 1, 2004, and annually thereafter, the secretary
56 shall submit a statement to each such pharmaceutical company that
57 includes the proposed fee for the pharmaceutical company.

58 (c) Any domestic insurer, [or] health care center or pharmaceutical
59 company aggrieved by an assessment levied under this section may
60 appeal therefrom in the same manner as provided for appeals under
61 section 38a-52, except in the case of a pharmaceutical company, the
62 appeal shall be accompanied by a citation to the Secretary of the Office
63 of Policy and Management to appear before the court.

64 (d) For the fiscal year ending June 30, 2004, the aggregate
65 assessment under this section shall not exceed seven million one
66 hundred thousand dollars. For the fiscal year ending June 30, 2005, the
67 aggregate assessment under this section shall not exceed seven million
68 one hundred thousand dollars.

69 Sec. 2. (Effective July 1, 2004) (a) The Department of Public Health, in
70 consultation with the Department of Social Services, shall develop a
71 marketing and distribution plan for influenza and pneumococcal
72 vaccines. The marketing plan shall provide consumer education
73 regarding the need for and efficacy of such vaccines, and the
74 distribution plan shall recommend sites other than physicians' offices
75 or health clinics for distribution of such vaccines.

76 (b) The Department of Public Health, in developing the marketing
77 and distribution plan required by subsection (a) of this section, may
78 join with a nonprofit organization to develop and implement such
79 plan. The department may apply for, accept and expend gifts, grants

80 or donations of goods or services from public or private sources to
 81 enable the marketing and distribution plan to be carried out. For
 82 purposes of this subsection, "nonprofit organization" means any
 83 organization that is exempt from taxation under Section 501(c)(3) of the
 84 Internal Revenue Code of 1986, or any subsequent corresponding
 85 internal revenue code of the United States, as from time to time
 86 amended.

87 (c) Not later than August 15, 2004, the Department of Public Health
 88 shall submit, in accordance with section 11-4a of the general statutes,
 89 to the joint standing committee of the General Assembly having
 90 cognizance of matters relating to public health, the marketing and
 91 distribution plan required by subsection (a) of this section.

92 Sec. 3. (NEW) (*Effective July 1, 2004*) A hospital may administer
 93 influenza and pneumococcal polysaccharide vaccines to patients, after
 94 an assessment for contraindications, without a physician's order in
 95 accordance with a physician-approved hospital policy. The
 96 Commissioner of Public Health shall adopt regulations, in accordance
 97 with the provisions of chapter 54 of the general statutes, to carry out
 98 the provisions of this section.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>

Statement of Legislative Commissioners:

Language was added in subsection (c) of section 1 to clarify the appeals process for pharmaceutical companies.

PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Public Health, Dept.	GF - Cost & Revenue Impact	See Below	See Below
Policy & Mgmt., Off.	GF - None	None	None
Social Services, Dept.	GF - None	None	None
Attorney General	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Secretary of the Office of Policy and Management (OPM) to include in his annual determination of the amount appropriated for activities funded via the Immunization Services account of the Department of Public Health (DPH) those amounts appropriated for vaccines to prevent influenza and pneumococcal disease in persons of all ages, as recommended by the National Advisory Committee for Immunization Practices (NACIP).

It also establishes a health and welfare fee to be assessed upon each pharmaceutical company doing business in Connecticut. Current law authorizes a similar assessment upon each domestic insurer or health care center doing life insurance or health insurance business in the state. Since the bill does not lift a \$7.1 million cap on the aggregate assessment in FY 05, no revenue change will result. Future appropriations will dictate the revenue impact in subsequent fiscal years. sHB 5033 (the Revised FY 05 Appropriations Act, as favorably reported by the Appropriations Committee) provides \$7.1 million to DPH for the Immunization Services account.

Full compliance with the NACIP recommendations would increase

departmental costs by approximately \$13.7 million annually. The cost of purchasing influenza and pneumococcal vaccine for children is \$4,443,886. The cost to purchase influenza vaccine for adults is \$8.5 million and the cost to purchase pneumococcal vaccines for adults sixty five years and older is \$600,000. The agency would also incur additional administrative costs of approximately \$150,000 to support the enhanced vaccine distribution and delivery system.

It is anticipated that OPM will be able to compile the required list of pharmaceutical companies by October 1, 2004, and update it annually thereafter; notify each company of its assessed fee by November 1, 2004, and annually thereafter; and participate in court proceedings involving aggrieved pharmaceutical companies within the Office's anticipated budgetary resources.

It is anticipated that the Office of the Attorney General could handle appeals by pharmaceutical companies of their assessment under the bill, as determined by the Office of Policy and Management, without requiring additional appropriations. The number of potential appeals is expected to be few. Moreover, any such appeals would likely be technical in nature (dealing primarily with the percentage assessment applied) and therefore more quickly resolved.

The Departments of Public Health and Social Services will be able to collaborate in the development of the marketing and distribution plan described in Section 2 and submit the plan to the Public Health Committee by August 15, 2004, without requiring additional resources. The bill authorizes the DPH to accept grants, goods or services from public or private sources to carry out the plan. No funding has been included within sHB 5033 for this purpose. Implementation of a marketing plan would be expected to cost approximately \$50,000.

It is anticipated that the Department of Public Health will be able to adopt regulations concerning administration of influenza and pneumococcal polysaccharide vaccines to patients within hospitals without requiring additional resources.

OLR Bill Analysis

sSB 167

AN ACT CONCERNING THE PURCHASE, STORAGE, AND DISTRIBUTION OF INFLUENZA AND PNEUMOCOCCAL VACCINES**SUMMARY:**

This bill adds vaccines to prevent influenza and pneumococcal disease in all ages, as recommended by the National Advisory Committee for Immunization Practices' schedule, to the list for which the Office of Policy and Management (OPM), with the Department of Public Health's (DPH) consultation, must determine amounts appropriated.

By law, the OPM secretary must annually, in consultation with the DPH commissioner, determine the amount appropriated to purchase, store, and distribute (1) vaccines for routine immunizations included in the schedule for active childhood immunizations required by law and (2) vaccines to prevent hepatitis A and B for all ages, antibiotics and biologics necessary for treating tuberculosis, and antibiotics for treating people in communicable disease control clinics.

The law requires all domestic insurance companies and HMOs that do life or health insurance business in the state annually to pay the insurance commissioner a health and welfare fee assessment based on the amount appropriated for immunizations. This assessment is deposited in the General Fund. The bill also requires pharmaceutical companies doing business in Connecticut annually to pay to the OPM secretary a health and welfare fee he assesses. This assessment is deposited in the General Fund.

The bill requires DPH, in consultation with the Department of Social Services (DSS), to develop a marketing and distribution plan for influenza and pneumococcal vaccines and requires DPH to report to the Public Health Committee on this plan by August 15, 2004.

Finally, the bill allows a hospital to administer influenza and pneumococcal polysaccharide vaccines to patients without a

physician's order. It can do this according to a physician-approved hospital policy after assessing the patient for contraindications. The bill requires DPH to adopt implementing regulations.

EFFECTIVE DATE: July 1, 2004

ASSESSMENT ON PHARMACEUTICAL COMPANIES

The bill requires the OPM secretary by October 1, 2004 and annually afterwards, to (1) compile a list of each pharmaceutical company doing business in Connecticut and (2) determine the fee to assess each company. Annually, beginning November 1, 2004, OPM must provide each company with a statement that includes its proposed assessment.

While current law establishes criteria for the insurance commissioner to follow for determining the assessment on insurers and HMOS, the bill does not specify any criteria for OPM's determination of the assessment on pharmaceutical companies. A pharmaceutical company aggrieved by its assessment can appeal to Superior Court. The appeal must be accompanied by a citation to the OPM secretary to appear before the court.

MARKETING PLAN FOR INFLUENZA AND PNEUMOCOCCAL VACCINES

The marketing plan must provide consumer education concerning the need for and efficacy of these vaccines. The distribution plan must recommend sites other than physicians' offices or health clinics for distributing them. DPH can (1) join with a nonprofit organization to develop and implement the plan and (2) apply for, accept, and spend gifts, grants, or donations of goods or services from public or private sources to carry it out. A "nonprofit organization" is any organization exempt from taxation under Section 501 (c)(3) of the IRS Code.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute
Yea 13 Nay 6