

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 771*

Short Title: Immunization Changes.-AB (Public)

Sponsors: Representatives England and Alexander (Primary Sponsors).

Referred to: Insurance, if favorable, Finance.

March 15, 2007

1 A BILL TO BE ENTITLED
2 AN ACT PERTAINING TO THE UNIVERSAL CHILDHOOD IMMUNIZATION
3 PROGRAM IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES;
4 PROVIDING FOR ASSESSMENT OF HEALTH INSURERS FOR THE
5 PURCHASE, STORAGE, DISTRIBUTION, AND QUALITY ASSURANCE OF
6 CERTAIN VACCINES; AND AUTHORIZING AN ADMINISTRATION FEE
7 FOR PROVIDERS THAT ADMINISTER VACCINES.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. Part 2 of Article 6 of Chapter 130A of the General Statutes is
10 amended by adding the following new sections to read:

11 "**§ 130A-159. Universal Childhood Immunization Program; participation.**

12 The Department shall include in the Universal Childhood Immunization Program
13 those vaccines for childhood immunizations recommended by the Advisory Committee
14 for Immunization Practices of the Centers for Disease Control and Prevention (CDC)
15 and designated for coverage by the federal Vaccine for Children Program. Physicians
16 providing these childhood vaccines shall participate in the North Carolina Universal
17 Childhood Immunization Program administered by the Department. The Department
18 shall allow each health care provider participating in the Program to select vaccines
19 from a list of all vaccines that are (i) approved by the United States Food and Drug
20 Administration, (ii) recommended by the Advisory Committee on Immunization
21 Practices, and (iii) made available under contract with the Centers for Disease Control
22 and Prevention.

23 "**§ 130A-159.1. Childhood Immunization Account established.**

24 There is created within the General Fund a nonreverting restricted receipts account
25 to be known as the 'Childhood Immunization Account.' All funds in the account shall
26 be used by the Department to effectuate the provisions of G.S. 130A-159. All funds
27 received pursuant to G.S. 130A-159.3 shall be deposited in the Childhood Immunization
28 Account.

29 "**§ 130A-159.2. Definitions.**

1 As used in this Part, unless the context clearly requires otherwise:

- 2 (1) 'Covered life'. – Any person who is covered under a medical benefits
3 plan that is insured or administered by a health insurer.
- 4 (2) 'Covered life months.' – The number of months a covered life has
5 coverage as a covered life during a calendar year.
- 6 (3) 'Health insurer.' – Any entity that provides medical care benefits
7 including, but not limited to, excess or stop-loss insurance that covers
8 medical care or administers medical care on any individual in this
9 State and operating under the authority of Chapter 58 of the General
10 Statutes, for the benefits prescribed in G.S. 58-68-25(a)(5) and
11 excluding the benefits excepted in G.S. 58-68-25(b).
- 12 (4) 'Insurer'. – Includes the following:
- 13 a. An insurance company;
- 14 b. A hospital or medical service corporation;
- 15 c. A health maintenance organization;
- 16 d. A multiple employer welfare arrangement;
- 17 e. A third-party administrator or claims processor;
- 18 f. The Teachers' and State Employees' Comprehensive Major
19 Medical Plan; and
- 20 g. Any other nongovernmental entity providing a health benefit
21 plan subject to State insurance regulation.
- 22 (5) 'Medical care.' – All of the following:
- 23 a. The diagnosis, cure, mitigation, treatment, or prevention of
24 disease, or amounts paid for the purpose of affecting any
25 structure or function of the human body;
- 26 b. Transportation primarily for and essential to medical care as
27 referred to in sub-subdivision a. of this subdivision.
- 28 c. Insurance covering medical care as referred to in
29 sub-subdivision a. of this subdivision.
- 30 (6) 'Program'. – The Childhood Immunization Program administered by
31 the Department.

32 **"§ 130A-159.3. Assessment.**

33 (a) Not later than June 1, 2007, and annually thereafter, the Department shall
34 determine the dollar amount appropriate to purchase, store, distribute, and provide
35 quality assurance for the following vaccines for routine immunizations, in accordance
36 with the recommended application of the Advisory Committee for Immunization
37 Practices of the CDC after June 1, 2007, for which a federal contract price has been
38 established.

39 The Department shall make available to each health insurer, upon its request,
40 information about the Department's Universal Childhood Immunization Program and
41 the costs related to the Program. The Department shall submit to the General Assembly
42 an annual report on March 1 on the Universal Childhood Immunization Program and
43 costs related to the Program. The Department shall, by the same date, inform the
44 Commissioner of Insurance of the dollar amount determined under this subsection.

1 (b) The Commissioner of Insurance shall, after notice and opportunity for
2 hearing, determine the annual health insurer assessment for the purchase, storage,
3 distribution, and quality assurance of vaccines listed in G.S. 130A-159.3 and shall issue
4 an order to that effect. The order shall be issued no later than September 1. The annual
5 assessment shall be based on the number of covered life months in the year prior to the
6 assessment.

7 (c) All health insurer assessments shall be submitted by the health insurer to the
8 Department on or before March 31 of each year. A health insurer whose assessment is
9 greater than one million dollars (\$1,000,000) for the year shall be assessed in four
10 quarterly payments of twenty-five percent (25%) of its total assessment. Quarterly
11 assessments are due on the first business day of January, April, July, and October of
12 each year. Any funds collected in excess of funds needed to purchase, store, distribute,
13 and provide quality assurance for the vaccines shall be deducted from the subsequent
14 year's assessment.

15 (d) For new vaccines recommended by the Advisory Committee for
16 Immunization Practices of the CDC for which an initial federal contract price is
17 established between June 1 and March 31 of subsequent fiscal years, an interim
18 assessment will be made. The Department shall determine the dollar amount appropriate
19 to purchase, store, and distribute the new vaccine and shall inform the Commissioner of
20 Insurance of the dollar amount by the first day of the quarter of the year following the
21 establishment of a federal contract price for the vaccine. The Commissioner of
22 Insurance shall determine the appropriate health insurer assessment within 90 days of
23 receiving notice of this amount from the Department. All health insurer assessments for
24 the new vaccine shall be submitted to the Department within 90 days of receiving the
25 assessment from the Commissioner of Insurance. An insurer whose assessment for the
26 new vaccine is greater than one million dollars (\$1,000,000) shall be assessed prorated
27 quarterly payments.

28 **"§ 130A-159.4. Administration fee.**

29 The Commission shall establish by rule a reasonable administration fee to be
30 reimbursed by health insurers to any provider, including a local health department, that
31 administers a vaccine included in the Program."

32 **SECTION 2.** Article 3 of Chapter 58 of the General Statutes is amended by
33 adding the following new section to read:

34 **"§ 58-3-262. Universal Childhood Immunization Program requirements.**

35 (a) As used in this section:

36 (1) 'Covered life month.' – Same meaning as in G.S. 130A-159.2.

37 (2) 'Health insurer.' – Same meaning as in G.S. 130A-159.2.

38 (b) The purpose of this section is to provide the Commissioner with information
39 necessary for the Commissioner to determine the assessment required by
40 G.S. 130A-159.3.

41 (c) Every health insurer that is subject to the Universal Childhood Immunization
42 Program shall annually report to the Commissioner the number of covered life months
43 insured or administered by the health insurer during a period and on a form prescribed

- 1 by the Commissioner. The Commissioner shall determine the date on which the annual
2 report is due.
3 (d) The Commissioner may adopt rules to carry out the purposes of this section."
4 **SECTION 3.** This act is effective when it becomes law.