

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 710\*

Short Title: Immunization Changes.-AB (Public)

Sponsors: Senators Purcell; Albertson, Berger of Franklin, Jones, Kinnaird, and  
Rand.

Referred to: Health Care.

March 14, 2007

A BILL TO BE ENTITLED

AN ACT PERTAINING TO THE UNIVERSAL CHILDHOOD IMMUNIZATION  
PROGRAM IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES;  
PROVIDING FOR ASSESSMENT OF HEALTH INSURERS FOR THE  
PURCHASE, STORAGE, DISTRIBUTION, AND QUALITY ASSURANCE OF  
CERTAIN VACCINES; AND AUTHORIZING AN ADMINISTRATION FEE  
FOR PROVIDERS THAT ADMINISTER VACCINES.

The General Assembly of North Carolina enacts:

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

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

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

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

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

**"§ 130A-159.2. Definitions.**

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

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

**"§ 130A-159.3. Assessment.**

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

The Department shall make available to each health insurer, upon its request, information about the Department's Universal Childhood Immunization Program and the costs related to the Program. The Department shall submit to the General Assembly an annual report on March 1 on the Universal Childhood Immunization Program and

1 costs related to the Program. The Department shall, by the same date, inform the  
2 Commissioner of Insurance of the dollar amount determined under this subsection.

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

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

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

30 **"§ 130A-159.4. Administration fee.**

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

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

36 **"§ 58-3-262. Universal Childhood Immunization Program requirements.**

37 (a) As used in this section:

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

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

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

43 (c) Every health insurer that is subject to the Universal Childhood Immunization  
44 Program shall annually report to the Commissioner the number of covered life months

1 insured or administered by the health insurer during a period and on a form prescribed  
2 by the Commissioner. The Commissioner shall determine the date on which the annual  
3 report is due.

4 (d) The Commissioner may adopt rules to carry out the purposes of this section."

5 **SECTION 3.** This act is effective when it becomes law.